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SUMMARY RECORD OF THE 60th MEETING

Chairman:	Mr. SENGWE	(Zimbabwe)
later:	Mr. ALOM (Vice-Chairman)	(Bangladesh)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/51/884)

1. Mr. N'DOW (Executive Director, United Nations Centre for Human Settlements (Habitat)) said that he welcomed the invitation from the Committee to clarify some of the points contained in the report of the Office of Internal Oversight Services on the review of the programme and administrative practices of the United Nations Centre for Human Settlements (Habitat) (A/51/884). The many useful recommendations contained in that report would be helpful in making the Centre more responsive to the challenges of implementing the Agenda approved by the United Nations Conference on Human Settlements (Habitat II).

2. At its recently concluded sixteenth session, the Commission on Human Settlements had set out in a resolution clear and precise guiding principles and recommendations to provide focus for the work of the Centre and make it more efficient. Its rapid revitalization was viewed as fundamental to the successful implementation of the objectives of the Habitat II Conference. The Commission also felt that the Centre must be given a stable, adequate and predictable funding base, and that resource mobilization should receive primary attention. Indeed, a significant increase had recently taken place in the number of countries contributing to the Centre.

3. The Centre had acted on the request of the Commission to ensure prompt implementation of the recommendations contained in the Office's report, but the Commission had also said that the observations of the Executive Director should be taken into account. It should be noted, however, that many members of the Commission had found the report incomplete in several respects, especially with regard to their elaboration of the Centre's organizational structure and the actions of individuals. While endorsing the recommendations and the spirit of the report, there had been expressions of concern about a certain lack of balance. In an effort to harmonize views so that the recommendations of the Office could strengthen the work of Habitat, he intended to keep in close touch with the Bureau of the Commission to seek its members' guidance in the revitalization process.

4. The current administration of the Centre had been put into place 2 years and 4 months before the United Nations Conference on Human Settlements, and initially had turned most of its attention to the preparation and successful outcome of that major world conference within the very short lead time and restricted funding available. Under those conditions, it had not always been possible to correct longstanding institutional difficulties.

5. On concluding its study, the Oversight Office had requested and received the comments and observations of the Centre on its draft report. It was disappointing, however, that those comments and observations had not been taken into account in the final version. Most of the recommendations contained in the report were generic, and for the most part were already being implemented. There was, however, a certain disharmony between the recommendations, which were positive and forward-looking, and the criticisms in the report's findings.

6. Mr. FARID (Saudi Arabia) asked for a description of the process that had led to the Centre's current organizational difficulties. He would also like clarification regarding the lack of internal controls and the unclear lines of authority mentioned in the report of the Oversight Office. The unjustified use of reimbursement loan agreements and the reassignment of senior officers were other matters raised in the report that should be discussed in more detail. Finally, the use of advisers under the 200 series to carry out line functions was improper, and should be explained.

7. Mr. REPASCH (United States of America) reiterated his delegation's belief that the problems described in the Office's report were the responsibility of all senior officials of the Centre. It might have been more productive for the Executive Director to stay in Nairobi and work towards resolving those problems than to appear before the Committee to defend the Centre.

8. Mr. MOKTEFI (Algeria) said that his delegation had welcomed the opportunity to hear from the Executive Director in order to get a clearer picture of the actual situation in the Centre for Human Settlements. It was clear that many of the management problems were caused by a lack of financial means. He asked for concrete examples of recommendations by the Oversight Office with which the Commission had not been in agreement, and more detail on how the Office's report was incomplete.

9. Mr. ATIYANTO (Indonesia), supported by Mr. MIRMOHAMMAD (Islamic Republic of Iran), Mr. FATTAH (Egypt) and Mr. ALOM (Bangladesh), requested that the full text of the statement by the Executive Director should be circulated along with the Centre's comments and observations on the draft report of the Oversight Office. His delegation felt that the Executive Director's appearance before the Committee had been extremely useful.

10. Ms. RODRÍGUEZ ABASCAL (Cuba) said that her delegation attached great importance to the work of Habitat, and pointed out that the Centre had begun revitalization efforts even before the Istanbul conference.

11. Referring to paragraph 3 of the report of the Oversight Office, she asked the Under-Secretary-General whether a broad spectrum of States members of the Commission on Human Settlements had been consulted, in order to reflect all shades of opinion.

12. Mr. YUSSUF (United Republic of Tanzania) asked the Executive Director to be more specific about the ways in which he believed the findings of the report were incomplete and where it was out of balance.

13. Ms. OSODE (Liberia) welcomed the presence of the Executive Director, since without his views the report appeared biased and one-sided. She would like to hear more about the Centre's operations before 1993, as there seemed to be a lack of continuity. It would also be helpful to know if any previous reports on the Centre had been issued.

14. Mr. SAHA (India) said that his delegation would like to hear more about action taken as a result of the recommendations in the report of the Oversight Office.

15. Mr. ABDULLAH FAIZ (Malaysia) said that his delegation welcomed that report and the exchange of views with the Executive Director. More details on actions currently being taken would add to the discussion, however.

16. Mr. JALLOW (Gambia) requested further clarification regarding the practice of borrowing from the pension fund. He would also like to hear the reaction of the evaluation team to the comments and observations the Centre had given on their draft report.

17. Mr. IVANOV (Bulgaria) said that the inspection report, which contained a complex evaluation of the Centre's functioning, exemplified a positive attitude towards the process of United Nations reform. It promoted accountability, transparency and improved financial control. Most importantly, however, it had prompted a genuinely creative and fruitful discussion.

18. Mr. N'DOW (Executive Director, United Nations Centre for Human Settlements (Habitat)) said that the process leading to the inspection of the Centre had begun in early 1996. At the third session of the Preparatory Committee for Habitat II, a few delegations had raised the issue of unauthorized borrowings from the United Nations Habitat and Human Settlements Foundation to finance the Conference. He had then explained that the low level of funding for the Conference had necessitated such borrowings, which had been approved by the Secretary-General. Most delegations had been satisfied by that explanation, but a few of them had invited the Office of Internal Oversight Services to carry out an inspection of the Centre. However, the preparatory process had been on the verge of collapsing, and the Centre's previous administration had borrowed from the Foundation at least four times to help finance Habitat II. Thus, his administration had not set a precedent in that regard.

19. The authors of the inspection report (A/51/884) were best able to answer questions concerning the report's references to unclear functions and the lack of internal controls at the Centre. He had tried to clarify those issues by submitting documentation to the inspection team. With regard to the reassignment of a senior officer in 1994, the Centre had taken that action not in order to silence a whistle-blower, as the report implied, but in response to a letter from the Office of Human Resources Management at Headquarters indicating the unsuitability of the officer in question for administrative responsibilities. The report devoted an inordinate amount of space to that issue, to the detriment of a balanced presentation.

20. The use of staff under the 200 series of staff rules reflected the fact that the Centre was a highly technical organization that relied heavily on staff financed from extrabudgetary sources. Its large technical cooperation programme was staffed exclusively by personnel in that category. Most of those staff members were highly qualified professionals with many years of service to the Organization. Deciding that they could no longer be given supervisory responsibilities, in accordance with the recommendation in paragraph 61 of the report, would not be in the interests of the Centre's technical cooperation activities. That recommendation was the only one which he would hesitate to implement.

21. Although many delegations to the sixteenth session of the Commission on Human Settlements had felt that there were problems with the inspection report, he could not say which ones had disagreed with the findings or what their views had been. He had already given examples of areas in which the report was incomplete, and had communicated those concerns in greater detail to the inspection team and to the Commission in his written comments on the report. In reply to the question posed by the Liberian delegation, he could not describe the Centre's functioning before 1993, since he had begun his work there in April 1994, when the Centre had been preparing for the most important event in its history with very few resources and little support from the United Nations budget. Its efforts to mobilize resources might have forced it to postpone actions to correct the shortcomings found by the inspection team, but it had formed valuable partnerships not only with Governments, but also with civil society at large, to ensure the success of Habitat II and to implement the recommendations made by the Conference.

22. With respect to the Centre's follow-up to the recommendations in part VI of the report, some of them, such as those in paragraphs 51 to 59, were already being implemented. In particular, with reference to the recommendations in paragraphs 58 and 59, the Centre had done an outstanding job of building a data bank of experiences and best practices, but the inspection team had failed to take that fact into account. Other recommendations, such as the one in paragraph 70, could not be implemented without additional resources. He had informed the inspection team of the Centre's needs and accomplishments so as to improve the team's grasp of the issues at stake and to contribute to the production of a useful report.

23. He welcomed the recommendations of the Oversight Office, and supported the Secretary-General's statement on that subject. However, the findings in the Office's report did not present a complete picture. The inspection team should have culled information from a wider variety of sources, such as Governments, communities and cities that benefited from the Centre's work.

24. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services) said he was pleased that the Executive Director of the Centre had focused on the positive aspects of the process begun by the inspection of the Centre and had accepted the recommendations of the inspection team.

25. He did not disagree with the observation that the inspection report was incomplete, since it had never been intended to represent an in-depth evaluation, but only a "snapshot" of the Centre's weaknesses and deficiencies, which were attributable inter alia to past practices and a shortage of resources. Similarly, the charge that the report was unbalanced failed to recognize that an inspection was not meant to be balanced; it was supposed to focus not on the positive aspects of an operation, but only on the difficulties and problems detected.

26. He outlined the chronology of events in the preparation of the report and said that that process had involved dialogue between the management of the Centre and the Oversight Office. The field work had been done in Nairobi in the autumn of 1996, and a draft report had subsequently been submitted to the Executive Director of the Centre and to the Secretariat's Department of

Administration and Management. Following a lengthy discussion of the draft report with the Director of the Centre's Office of Programme Coordination in February 1997, he had received written observations from the Centre in March 1997; those comments had focused on selected findings of the report, but had said little about the administrative anomalies and inadequate financial management and internal control it had noted. The Centre had accepted the report's recommendations with only two reservations, which the Office had taken into account in preparing the final version of the report. The views of the Department of Administration and Management on the one recommendation which required it to act had also been taken into account.

27. After thoroughly reviewing the Centre's written observations, along with the annexed documentation (which had been collected previously by the inspection team and had been considered in the preparation of the draft report), the Office had concluded that no new facts had been presented to substantiate those observations and that no changes in the findings and recommendations were warranted. It had then submitted the final report to the Secretary-General, the Executive Director of the Centre and the Under-Secretary-General for Administration and Management, along with the detailed comments received from the Centre and from the Department of Administration and Management, as well as the Office's position on them. The Secretary-General had concurred with the Office's recommendations.

28. Although the Centre had disagreed with some of the report's findings, it had taken the positive step of preparing a plan of action to address the recommendations and deficiencies identified in the report. Thus, although the inspection process had been fraught with difficulty, it had had a highly satisfactory outcome. He would be pleased to continue to discuss the ongoing revitalization of the Centre with the Executive Director. The Centre deserved to be strengthened, since it had an important role to play in the future of the United Nations and of the world.

29. In reply to the Saudi Arabian delegation, he said that the lack of clarity mentioned in the report referred to the lack of a well-articulated line of authority between the Centre and the so-called outposted offices and of a clear definition of the latter's functions and responsibilities. The failure to define responsibilities, authorities and accountability with respect to certain functions made them unclear and caused some functions to overlap. However, he was optimistic that those shortcomings would be swiftly addressed under the plan of action. His Office would be pleased to assist the Centre in that regard.

30. Referring to the observations made by the representative of Cuba, he said that the investigating team had met with representatives of certain Member States at the latter's request during its visit to Nairobi, and had also met with representatives of other regional groups, including the Chairman of the Group of 77. He therefore rejected the characterization of the report as biased and one-sided as the representative of Liberia had alleged.

31. There had been no previous oversight reports on Habitat for the simple reason that the Office had only recently been established. Certain donor countries had undertaken reviews of the Centre's work, but those efforts had been spotty and had been confined to particular projects. He noted, however,

that a detailed, long-term appraisal of the Centre had also been carried out recently on behalf of a group of Member States and the findings of that report were consistent with those of the oversight report.

32. As to his reaction to the other available reports on the Centre, he believed that the Centre's plan of action was a blueprint for the implementation of the recommendations contained in the oversight report. He also welcomed the report of the Danish International Development Agency (DANIDA), which contained many useful recommendations for revitalizing the Centre and making it a more focused organization.

33. Mr. FARID (Saudi Arabia) welcomed the stated intention of the Executive Director to work towards improving the performance of Habitat. The Centre's mandate was an important one, and adequate resources should therefore be made available to ensure its effective discharge. He would welcome an explanation in writing of why the report of the Oversight Office was not complete, and suggested that a follow-up report should be prepared in 1998.

34. Mr. AGONA (Uganda) said that the statement by the Executive Director of Habitat had put matters into perspective and had introduced an element of balance to what was a very disturbing report. He agreed, in particular, that the tremendous amount of work which the preparatory process for Habitat II had entailed had made it difficult to adequately address the Centre's underlying problems at an earlier stage. He also welcomed the recommendations of the oversight body, which should be incorporated into the Centre's plan of action. The revitalization of Habitat was part of the ongoing process of reform of the Organization and it was therefore time to put the matter to rest and to allow the Centre to carry on with its work.

35. Mr. MAZEMO (Zimbabwe) said that the useful exchange which the Committee had had with the Executive Director of Habitat had vindicated its decision to invite him to appear before the Committee in New York. In considering the issue before the Committee, his delegation would give due weight to the report of the Commission on Human Settlements.

36. Mr. JALLOW (Gambia) noted that the Centre was already taking action to implement the recommendations contained in the oversight report and to revitalize its work. The Committee should provide encouragement to Habitat, which had an important role to play in the United Nations system, by ensuring that it had the resources it needed for the effective discharge of its mandate. He agreed with the proposal that the Oversight Office should prepare a follow-up report on the functioning of the Centre. For the time being, however, the Committee should merely take note of the report contained in document A/51/884.

37. The CHAIRMAN said that the manner in which the Committee would proceed in the matter would be the subject of informal consultations at a later stage.

38. Mrs. GÜRAY (Turkey) said the current debate should not be allowed to obscure the many positive aspects of the outcome of the second United Nations Conference on Human Settlements (Habitat II).

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/48/622, A/48/912, A/49/654, A/49/936, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009, A/50/1012, A/51/389, A/51/491, A/51/646, A/51/778, A/51/845, A/51/892; A/C.5/50/51, A/C.5/51/8, A/C.5/51/45 and A/C.5/51/48)

39. Mr. HALBWACHS (Controller), introducing the report of the Secretary-General on the Peacekeeping Reserve Fund (A/51/778), recalled that, in its resolution 47/217 of 23 December 1992, the General Assembly had decided to establish a Peacekeeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. The report of the Secretary-General provided further information on the implementation of that resolution and responded to issues raised in the report of the Advisory Committee.

40. With regard to the status of the Reserve Fund, Assembly resolution 47/217 had established the Fund at a level of $150 million and had provided that that amount should be transferred from surplus balances of the special accounts for the United Nations Transition Assistance Group (UNTAG) and the United Nations Iran-Iraq Military Observer Group (UNIIMOG), with any difference remaining being transferred from the amount retained in the General Fund pursuant to General Assembly resolution 42/216 A of 21 December 1987. Annex I provided a summary status of the Reserve Fund.

41. The General Assembly was being requested at its resumed fifty-first session to take note of the report of the Secretary-General and to decide that, with respect to the application of the provisions of paragraph (g) of General Assembly resolution 47/217, the five Member States listed in paragraph 8 of the Secretary-General's report (A/51/778), which had become Members of the United Nations prior to the adoption of that resolution but after the adoption of resolution 45/247, would not have a claim to a share in the Reserve Fund.

42. Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

43. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee contained in document A/51/646, recalled that in paragraph 19 of its report on death and disability benefits (A/50/684) it had identified issues on which the General Assembly needed to provide further guidance: whether payments should be in the form of an allowance, a reimbursement or an award; whether they should be made to Member States or individuals directly; the amount to be paid by the United Nations; and whether an insurance scheme should be established. In section III, paragraph 1, of its resolution 49/233 A of 23 December 1994, as reiterated in resolution 50/223 of 11 April 1996, the General Assembly had decided that revisions to the current arrangements for compensation for death or injury sustained by contingent troops in the service of United Nations peacekeeping operations should be based on the principles of equal treatment of Member States; compensation to the beneficiary that was not lower than reimbursement by the United Nations; simplification of administrative arrangements to the extent possible; and speedy settlement of claims.

44. In its resolution 50/223, the General Assembly had requested the Secretary-General to examine the possibility of an insurance scheme to cover all troops and to respond to issues raised in the report of the Advisory Committee. The report of the Secretary-General (A/50/1009) had provided information on the proposal to establish an insurance scheme and the legal status of contingent personnel. The Advisory Committee noted from paragraph 7 of that report that, as compared with the situation of two years previously, the possibility of developing a viable commercial insurance policy to cover accidental death and disability risks for peacekeeping troops had ben met with a positive response by a number of insurers in the global market.

45. The Advisory Committee had also noted that the willingness of insurers to offer coverage was based on the perceived reduction in risk level following the winding down of major peacekeeping operations. It had noted further that among the uncertainties relating to commercial insurance was the fact that insurance companies could refuse to renew coverage should there be an increase in the perceived risk level, or offers of renewal might be on terms that were not acceptable to the United Nations. In that regard, the Advisory Committee noted that in either a commercial or a self-insurance scheme the standardization of rates might greatly facilitate the processing of claims as compared to the current practice. Although self-insurance might expose the Organization to significant liability resulting from catastrophic loss, the Advisory Committee had concluded that, over time, that form of insurance would be more cost-effective and simpler to administer.

46. The Advisory Committee's views on the legal status of contingent personnel were summarized in paragraph 35 of its report, and its views on the reform of the procedures for determining reimbursement to Member States for contingent-owned equipment were contained in paragraphs 3 to 8.

47. Introducing the report of the Advisory Committee on the Peacekeeping Reserve Fund (A/51/845), he recalled that the Advisory Committee had been informed on 18 March 1997 that an additional amount of approximately $4.87 million in interest income had increased the current balance of the Fund to $99.7 million. With regard to the method of calculation of Member States' initial shares in the Reserve Fund, he drew attention to the Advisory Committee's comments in its previous report (A/50/976), in which it had stressed the mandatory nature of the assessment of new Members to fund the Reserve Fund and stated that shares of the original founding Members should be recalculated as new assessments were credited to the Fund on the basis of the apportionment set out in Assembly resolution 45/247.

48. With regard to the action to be taken by the General Assembly, the Advisory Committee believed that it was the Assembly's intention that resolution 47/217 should apply to all Member States. Accordingly, it recommended that the Assembly should confirm that intention and decide that the five Member States listed in paragraph 8 of the Secretary-General's report (A/51/778) should contribute to the Fund in accordance with the scale of apportionment for peacekeeping operations in effect on the date of their first assessment for United Nations peacekeeping operations.

49. Turning, finally, to the Advisory Committee's report on the review of the rates of reimbursement to the Governments of troop-contributing States (A/50/1012), he pointed out that the results of the survey and the corresponding data referred to in document A/48/912 dated back to 1992-1993. Since then, not only had three years passed, but the number of troop contributors had increased from 57 to 70, making the information contained therein outdated. The Advisory Committee was of the opinion that before the General Assembly took action on the standard rates of reimbursement, the Secretary-General should be requested to carry out a new survey. Furthermore, the General Assembly might wish to provide further guidance regarding other factors or expenses to be taken into account in the survey.

50. Mr. YUSSUF (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that the current system of death and disability compensation for peacekeeping troops under which the payment of death and disability compensation was based on national legislation was discriminatory. The General Assembly had sought to address that situation in its resolution 49/233, which provided for equal treatment of Member States and standardization of compensation rates. In his report on death and disability compensation (A/49/906), the Secretary-General had submitted six proposals for according equal treatment to all Member States and for standardizing the compensation rates. For its part, the Advisory Committee had noted in paragraphs 32 and 33 of its report (A/51/646) that the standardization of rates might greatly facilitate the processing of claims.

51. The Group of 77 and China were of the view that the General Assembly should decide without further delay to implement the principles contained in its resolution 49/233 on death and disability compensation by approving compensation for contingent personnel engaged in peacekeeping operations at the standardized rate of $50,000 in case of death or disability, as proposed in annex I to the report of the Secretary-General (A/49/906). Implementation of the proposed decision would avoid the complex procedures involved in the settlement of claims under the current system and result in savings to the Organization. Moreover, no additional expenditures would be incurred by the Organization, since the current provision in peacekeeping budgets for death and disability compensation would suffice for the needs of uniform and standardized compensation. The Group of 77 and China planned to submit for the Committee's consideration a formal proposal for resolving the issue of death and disability compensation.

52. Mr. BAQUERO (Colombia), speaking on behalf of the Movement of Non-Aligned Countries, said that the system of death and disability benefits was not consistent with the principles outlined in General Assembly resolutions 49/233 and 50/223. The current system was unjust and inequitable. It did not apply uniform benefit rates, and in certain cases it involved delays and costly procedures which caused further anguish to the victims and their families. The value of the lives of the United Nations blue helmets should not be differentiated according to nationality. The Non-Aligned Movement agreed with the Group of 77 and China that the time had come to implement the provisions adopted by the General Assembly concerning death and disability benefits by applying a uniform system for all peacekeeping personnel. In that connection, the Special Committee on Peacekeeping Operations had determined that, just as the subsistence allowances of observers and the standard costs for contingents

were applied uniformly, there should be uniform death and disability benefits for all troops and observers.

53. Mr. KAMAL (Pakistan) supported the statements made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China and by the representative of Colombia on behalf of the Non-Aligned Movement. The current system of death and disability benefits, with compensation rates that varied from $10,000 to $700,000, was patently discriminatory, while its lengthy and cumbersome administrative procedures caused inordinate delays and frustration to the beneficiaries.

54. The Secretary-General, the Advisory Committee on Administrative and Budgetary Questions, the legal opinion and the General Assembly itself were in favour of establishing equal death and disability compensation rates. By its resolution 49/233, the Assembly had unanimously endorsed the principle of equal treatment. In his report submitted pursuant to that resolution (A/49/906), the Secretary-General had agreed with Member States that the existing system was inequitable, noting that the troop-contributing countries felt that the system was unfair because of varying national practices, and far too lengthy to provide any benefit within a reasonable amount of time. Of the six proposals put forward in that report, the Secretary-General had recommended option 3, which provided a fixed compensation of $50,000 in the event of death and a lump-sum payment for permanent disability, as the fairest and most practicable.

55. His delegation welcomed the opinion of the Office of Legal Affairs concerning the precise legal status of contingent personnel, contained in the report of the Secretary-General (A/50/1009) submitted pursuant to General Assembly resolution 50/223. It wished to draw the Committee's attention, in particular, to paragraph 8 of that report, which stated that although military personnel of national contingents might remain administratively attached to their respective national armies, for the duration of their assignment they were international personnel under the authority of the United Nations. It followed that, as international personnel, they were entitled to uniform and standard compensation for death and disability.

56. His delegation also welcomed the opinion of the Advisory Committee that the standardization of rates would greatly facilitate the processing of claims; it would also be more cost-effective. The Advisory Committee had also noted that a maximum compensation of $50,000 would result in savings to the Organization (A/50/684, para. 11). According to annex II of the report of the Secretary-General (A/49/906), an amount of $14.8 million had been claimed for 44 cases of death. That amount could have been $7.8 million if standardized rates had been applied.

57. Further delays in negotiations on a uniform and standardized rate of compensation would send the wrong message to United Nations peacekeeping troops. His delegation hoped that the proposals on equal death and disability compensation, submitted by the Group of 77 and China and supported by the Non-Aligned Movement, would be embraced by all Member States.

58. Mr. MENKVELD (Netherlands), speaking on behalf of the European Union and the associate countries Bulgaria, Cyprus, the Czech Republic, Hungary, Latvia,

Lithuania, Poland, Romania and Slovakia, and, in addition, Norway, said that the keen interest of the European Union in the question of death and disability benefits stemmed from the fact that its member States provided a substantial portion of the peacekeeping troops and financial contributions. The European Union welcomed the efforts of the Secretary-General in response to the General Assembly's request (resolution 49/233, para. 2) to submit concrete proposals on possible provisions to the current compensation arrangements. It also welcomed his report on the possibility of establishing an insurance scheme (A/50/1009), in particular, the information it contained on the legal status of contingent personnel. The current system, which all Member States agreed was too cumbersome and too time-consuming, must be streamlined in order to expedite the settlement of claims. The European Union was prepared to participate actively in consultations to that end.

59. The reform of the procedures for determining reimbursement to Member States for contingent-owned equipment, outlined in General Assembly resolution 50/222, had proved to be effective. However, the European Union urged the Secretary-General to implement all aspects of the new procedures and, if necessary, to propose possible additions to and adjustments of the procedures in his report on the first full year of implementation. In the meantime, the European Union requested the Secretariat to clarify certain aspects of the implementation of the new procedures and transitional arrangements. The Union wished to know, for example, whether inland transport claims authorized under the new system had been accepted from Member States that were being reimbursed according to the previous methodology. Moreover, neither the budgets nor the performance reports of the individual peacekeeping operations submitted during the current session contained information on the reimbursement of equipment designed to withstand extreme environmental conditions or intensified operational use. The European Union wondered whether such factors had been taken into account in determining reimbursement rates, and in preparing the budgets submitted. The Secretary-General should be requested to include standardized information on that provision in all future budget proposals.

60. With regard to the Peacekeeping Reserve Fund, the European Union was not in favour of crediting Member States for their respective shares of the earned interest as long as the fund was not fully capitalized. In that connection, he recalled that the General Assembly, in its resolution 50/246 (para. 14), had decided that interest earned on the account of the United Nations Observer Mission in El Salvador should be transferred to the Peacekeeping Reserve Fund. The European Union agreed with the Advisory Committee (A/50/976, para. 13) that the five countries that had become Member States during the 1990-1992 period, i.e., prior to the establishment of the Peacekeeping Reserve Fund but after the adoption of the applicable scale of apportionment, should participate in the Fund.

61. Referring to the European Union's statement of 9 September 1996, he said that the use, accounting and disposal of peacekeeping assets, as well as the appropriate coordination between asset management and procurement within the United Nations system, must be sound in order to earn the trust of Member States. That also applied to the proposed functions and financing of the operation of the United Nations Logistics Base in Brindisi, Italy. The European Union would address the issues raised by the Advisory Committee in document

A/50/985, and by the Office of Internal Oversight Services in document A/51/803, in the context of the proposed budget for the Logistics Base for the period starting 1 July 1997. Its understanding was that the proposed budget for the Base would be included in the proposal for the support account for peacekeeping operations. It wished to know when the comprehensive performance report would be available for consideration by the Committee.

62. In conclusion, he was distributing a recapitulation of the European Union's proposal for establishing a more equitable and transparent scale of assessments for peacekeeping operations. The proposed scale would adjust automatically to altered economic situations and would continue to take into account the needs of Member States with low per capita income.

63. Mr. FAGUNDES DO NASCIMENTO (Brazil) supported the remarks made on behalf of the Group of 77 and China concerning death and disability benefits. Since Brazil had played an active role in United Nations peacekeeping operations in recent years, his delegation hoped that the issue would be resolved during the resumed session. The current system represented an unacceptable departure from the principle of equal treatment enshrined in the Charter of the United Nations. It was high time that a uniform rate for death and disability benefits was established. His delegation also agreed fully with the Advisory Committee that estimates for death and disability payments should be included in the budget of each peacekeeping operation.

64. Mr. FARID (Saudi Arabia) expressed his delegation's full support for the statement made on behalf of the Group of 77 and China concerning death and disability benefits. The assets management system should provide a global report on the sum total of the Organization's assets and not only assets in respect of peacekeeping operations. Centralization of the facility for the receipt, inspection, inventory and issue of equipment and supplies to and from missions would ensure maximum control and the most efficient use of the Organization's assets. He inquired about the results of cross-referencing the United Nations Common Coding System and the North Atlantic Treaty Organization (NATO) Codification System on a six-month trial basis. Inventory should be included in the financial accounts of peacekeeping missions at the original purchase price and maintained in the records at that value until its eventual disposal. The elimination of depreciation would preclude any recording discrepancy that might arise in a mission that re-used equipment, including mission start-up kits.

65. Assets could be transferred or redeployed to Brindisi, and other field missions financed from assessed contributions at the same price with no additional cost to Member States. The residual value should be determined and reported to the General Assembly for appropriate action only when such assets were disposed of or otherwise transferred by sale to activities that were not financed from assessed contributions. His delegation supported the recommendation that any equipment financed from assessed contributions should become the property of the Organization and should be available, once it was no longer required for its original purpose, for use by any other United Nations activity financed from assessed contributions without entering into additional transactions, provided that the operational need for such equipment by that activity could be proved. However, the transfer of materials to and from

activities financed from voluntary contributions should be charged at depreciated rates.

66. Ms. SHENWICK (United States of America) said that, while it was impossible to place a monetary value on human life, her delegation believed that a standard death and disability benefit of $50,000 was appropriate. The United Nations should establish a self-insurance scheme, since commercial insurance was costly and unpredictable. Claims in respect of death and disability were of such gravity that they should be addressed by national Governments rather than by individual members of the military. A specific time limit should be set for the submission of such claims, and there should be some guarantee that the survivors or the disabled would receive the entire amount of compensation. Her delegation would work closely with other delegations in order to reach a consensus on the matter.

67. As it had indicated during the previous resumed session, her delegation remained concerned about the methodology used in connection with the ad hoc scale of assessments for peacekeeping operations, and, in particular about the lack of a ceiling rate. A ceiling rate was a fundamental element of the scale of assessments for the regular budget of the United Nations and the specialized agencies. Her delegation would again propose a maximum rate of 25 per cent and would promote the comprehensive reform of the existing ad hoc arrangement with a view to establishing a permanent scale of assessments based on objective criteria. Informal consultations should be held on those issues.

68. Pending introduction of the report on the support account for peacekeeping operations, she wished to reiterate her delegation's position on the financing of human and other resources. Her delegation had worked hard over the years to improve the method of collecting funds for the support account and to ensure transparency and the equal and fair treatment of human resource needs. It had also worked hard to ensure that programme managers administered personnel and equipment financed from that account in strict conformity with the Staff Rules. She trusted that the account would be managed in accordance with all relevant General Assembly resolutions concerning human resources management.

69. Her delegation supported the Advisory Committee's request to the Secretary-General to submit to the Fifth Committee, through the Advisory Committee, the final text of the draft model services agreement, including the full text of the implementation procedures and the agreed text of performance standards and rates of reimbursement for contingent-owned equipment, together with the agreed text of all definitions (A/51/646, para. 4). Her delegation agreed with the proposed changes to the draft text, except for those outlined in annex E, paragraph 18, for which it proposed substituting the following: "provided that a mandate of six months or more exists and that the operation will continue for one year or more" and "provided that a mandate exists for the continuation of the operation of one year or more". It also supported the Advisory Committee's request to the Secretary-General to submit a report on the legal implications of implementing new procedures through a Memorandum of Understanding rather than a contribution agreement (A/51/646, para. 7). Lastly, it believed that the implementation of the new procedures for contingent-owned equipment should take place during 1997, rather than as soon as possible (A/51/646, para. 8).

70. Mr. HANSON (Canada) said that his delegation could not accept the imposition of a ceiling on assessments for peacekeeping operations. There should be no further departures from the principle of capacity to pay. Such proposals raised questions as to how the assessment of other States would be increased in order to compensate for a reduction in the assessment of the largest and wealthiest contributor.

71. His delegation was willing to consider the proposal that the scale of assessments for peacekeeping operations should be formulated on the basis of a fixed surcharge for permanent members of the Security Council rather than fixed discounts for the developing and least developed countries. However, that surcharge should not be reduced below its current rate. His delegation reserved the right to speak about anomalies in the current peacekeeping scale of assessments at a later date.

72. Mr. YUSSUF (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, and responding to the proposals put forward by the European Union and the United States of America, said that the position of the Group of 77 and China with regard to the scale of assessments for peacekeeping operations was well known and that he would elaborate further at the next meeting.

73. Mr. FAGUNDES DO NASCIMENTO (Brazil) and Mrs. POWLES (New Zealand) expressed strong support for the remarks made by the representative of Canada.

The meeting rose at 1.15 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
61st meeting
held on
Wednesday, 21 May 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 61st MEETING

Chairman:	Mr. SENGWE	(Zimbabwe)
later:	Mr. ALOM (Vice-Chairman)	(Bangladesh)
later:	Mr. SENGWE (Chairman)	(Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

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The meeting was called to order at 10.10 a.m.

AGENDA ITEM 115: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that no real change had occurred in the financial picture for the last two years. A bad financial situation had persisted and ossified. At any time during the past two years, a total of one year's assessment had remained uncollected; over the same period, debts to Member States had hovered around the $900 million mark. Until there was a change in the amounts of uncollected assessments there could not be any change in the amounts owed to Member States.

2. As of 30 April 1997, a total of $637 million of the regular budget had been collected, slightly more than half of the 1997 assessment bill, compared to $595 million in 1996 and $584 million in 1995. There had actually been a decline in the number of Member States paying current year assessments in full. Only 54 Member States had paid in full by 30 April, compared with 56 in 1996 and 39 in 1995. The increased amount collected was largely due to arrearage payments and partial payments.

3. The largest regular budget contributions received by 30 April 1997 ranged from a contribution of $100 million from the United States of America to $7.7 million by Denmark. A number of sizeable payments had also been received since 30 April. Japan had paid the balance of its 1997 contribution on 7 May. Full payment of $45.5 million had been received from the Russian Federation in May.

4. On a month-by-month basis, collections already made in 1997 had outpaced collections made during the comparable period in 1995 and 1996. The current year's collections were expected to slow down during the third and fourth quarters. For the full year, the Secretariat estimated regular budget cash collections of $1.2 billion compared with $1.2 billion in 1996 and $1.1 billion in 1995.

5. At the end of April, the usable cash balance of the General Fund (the regular budget and related reserve funds) totalled $92 million - less than the amount needed for one month of regular budget expenditures, but still better than at the end of April 1996 when cash balances were only just over $7 million.

6. In March, he had indicated that preliminary regular budget projections for 1997 had forecast a return to deep negative cash amounts later in the year and that the pattern for 1997 would be similar to that of 1996.

7. Current projections had not changed the overall pattern, but they were slightly more encouraging. Having reviewed the earlier projections for income and expenditures, it was currently envisaged that the Organization would be in a negative position for four months, with a maximum level of borrowing of $275 million at the end of November and an end-of-year negative balance of $201 million.

8. The month-by-month cash balance projection for 1997 showed a rapid decline into a negative cash position at the end of the year, a picture which had characterized all recent forecasts. The current forecast reflected experiences during the first four months of the year and was based on some adjustments of both income and expenditure assumptions for the balance of 1997. Those projections were based on informal contacts and past payment patterns and depended crucially on the receipt of contributions from a number of Member States.

9. Usable peacekeeping cash at the end of April amounted to $989 million, an amount higher than the $874 million on hand at the beginning of the year. That was due mainly to early and large inflows of assessed contributions, including $197 million in April. To date in 1997 no significant payments had been made to troop and equipment contributors. When such payments were initiated, however, prospects for the balance of 1997 would be much less favourable.

10. Cash flow forecasts for peacekeeping operations were much more difficult to make than those for the regular budget. The timing and amount of peacekeeping assessments and the resultant effect on the predictability of receipts were much more volatile than was the case with the regular budget. In particular, payment projections for the major contributors in 1997 were based on the previous year's pattern and there was no firm indication of what payments could be expected from the major contributors.

11. The level of assessments was based on the budget estimates of peacekeeping operations or the known recommendations of the Advisory Committee on Administrative and Budgetary Questions. It had been assumed that there would only be one assessment for each mission through to the end of the year. Should there be several assessments approved for shorter periods, the normal lags in payments would probably cause lower receipts in 1997 than currently projected.

12. Peacekeeping disbursements were currently expected to exceed receipts in six of the coming eight months of 1997. For the whole year, it was projected that total disbursements would exceed receipts by $240 million. That projection reflected expenditures under the liquidation phase of several peacekeeping missions which were not balanced by corresponding assessments. It also reflected the application of some of the accumulated credits in respect of the unencumbered balances of peacekeeping missions, the application of which had been delayed earlier by the General Assembly.

13. With regard to payments to troop and equipment providers, the peacekeeping projections reflected the currently estimated total disbursements of $266 million for 1997 for troop reimbursements. That aggregate amount would be paid in instalments.

14. Projections of 1997 year-end amounts were based overwhelmingly on the most realistic assumptions and judgements that could currently be made. But they remained assumptions and judgements. With that reservation, peacekeeping cash was projected to fall to $634 million by the end of 1997. That figure compared with estimated amounts owing of $829 million to Member States, a gap of almost $200 million. The gap had closed in 1996 when the Russian Federation had paid down $200 million in arrearage. It had widened again in 1997.

15. He reminded the Committee that the practice of keeping afloat by delaying payments to troop and equipment providers was not only an inherently unsound financial practice, but was also unsustainable as the level of peacekeeping assessments declined. Based on the assumptions which he had just outlined, the Organization's combined cash position was forecast at $433 million, which would cover barely two months of expenditure at average monthly rates currently projected for 1997. The combined cash position would reflect a regular budget cash deficit of $201 million and a peacekeeping positive balance of $634 million.

16. With no reserves and no capital to shore the Organization up, the precarious financial situation would become even more unstable. The Organization's precarious financial situation came down to the question of arrears. The United Nations was totally dependent on the prompt payment of assessments for its financial health. At the end of April, prior years' outstanding contributions for peacekeeping totalled $1.4 billion. Of that amount, major contributors owed $1.261 billion or 88 per cent, with the largest contributor owing the largest amount at $839 million. Regular budget arrears followed the same pattern. Of the 15 major contributors, only three had an arrears position as at 30 April 1997. The combined amount for the other 170 Member States totalled $67 million or just 19 per cent of the total.

17. The non-payment of outstanding contributions was jeopardizing the financial health of the Organization, especially as receipts for peacekeeping accounts declined. The financial health of the United Nations was deteriorating. With diminishing peacekeeping assessments, ageing unpaid assessments, and a question mark hanging over collectability in the near future, the Organization might not be able to survive another year.

18. Ms. PEÑA (Mexico) said that when the Under-Secretary-General's remarks were made available as an official document, the recent substantial payments by Japan and the Russian Federation should be prominently reflected therein. In addition, the Secretariat should provide a list of the countries to which the United Nations owed money for troops and equipment. She reiterated her request that the programme performance report on the impact of approved savings measures be made available as soon as possible, as stipulated in Part II, paragraph 11, of General Assembly resolution 50/214.

19. Mr. WATANABE (Japan) said that when the information provided by the Under-Secretary-General was issued as an official document, it should show that Japan had paid all of its assessed contributions for 1997.

20. Mr. CONNOR (Under-Secretary-General for Administration and Management), responding to a question from Mr. FARID (Saudi Arabia), said that there was no scientific basis for predicting likely cash inflows. The Secretariat's predictions were based on judgement, past experience, and information gleaned from informal telephone contacts. Although its predictions were usually accurate, the Secretariat was constantly surprised when payments arrived unexpectedly or when promised payments failed to materialize. He had made special mention of the substantial payments received from Japan and the Russian Federation since the cut-off date for his report. Given that the cut-off date had to fall somewhere, the most he could do was to refer specifically to those

payments without recalculating and readjusting the rest of the data. A list of countries owed money for troop and equipment contributions was freely available. On the question of the programme performance report requested in Part II, paragraph 11, of resolution 50/214, he apologized for the delay and assured the Committee that it would be issued very shortly.

21. Ms. RODRÍGUEZ ABASCAL (Cuba) noting that the programme performance report on the impact of approved savings measures had been requested at the fiftieth and fifty-first sessions of the General Assembly, said that the Secretariat should explain why the document had not been prepared.

22. Mr. RAMLAL (Trinidad and Tobago) said that the Under-Secretary-General's presentation had referred to one contributor as paying off arrears whereas all other contributors were described as making full or partial payment for the year in question. The Secretariat should clarify the time period to which the arrears related. Moreover, countries which were current with their contributions should be recognized as such; it should also be recorded that although some countries were in arrears, they were committed to paying off those arrears without imposing conditions.

23. Mr. GREIVER (Uruguay) said that the substantial savings which the Organization was planning to make in 1997 should be used to reimburse troop-contributing countries. The Secretariat should indicate whether the amount earmarked for reimbursement to troop-contributing countries in 1997 included any of those projected savings.

24. Mr. CONNOR (Under-Secretary-General for Administration and Management), responding to a question from Mr. SOAL (South Africa), said that he, too, had read the article alleging that the United States of America was seeking to impose further conditions on the payment of its arrears to the United Nations. While no mention had been made of the amount of the payment, in his judgement, the greater the number of conditions, the slower the payment.

25. Speaking frankly, he said that his office had experienced a shock in preparing the forecast for the current period, in that the application of credits had resulted in a drastic discrepancy between cash income and cash outflow on peacekeeping operations. Another shock had resulted from the preparation of the report to the Advisory Committee on Administrative and Budgetary Questions on the level of assessments for peacekeeping, which would be around $1.1 billion for 1997; the prospect of further curtailment of peacekeeping assessments was very real. The Organization would cease to function if it ran out of sources of cash to borrow, or if it paid down its debt in the absence of major payments of regular budget arrears; that prospect was now closer than before.

26. He assured the representative of Cuba that he would endeavour to provide an answer on the performance report within the next few days.

27. Replying to the question raised by the representative of Trinidad and Tobago he said that the United States payment was labelled "arrearage", because that country was nearly two years behind in its contributions to the regular budget - its unpaid contributions totalled approximately $600 million.

Regardless of how a Member State described its payment, the Secretariat complied strictly with the General Assembly's instruction that any receipt should be applied to the longest-outstanding unpaid assessment. The daily and monthly announcements of which Member States had paid their contributions for the current year in full implied that those States had paid in full for every other year as well.

28. The projected payment of $266 million under the peacekeeping budget for troops and contingent-owned equipment represented a strict liquidation of debt, not savings. The Administration had decided that it would make every effort not to increase the arrears on current obligations for peacekeeping troops and equipment; it would pay out whatever amounts it received.

29. In sum, the Organization's debt to Member States was the source of its financing. That debt could not be extinguished unless the United Nations collected its one receivable - a receivable characterized largely by the words "in arrears". Until the arrears were paid, the Organization could not reimburse Member States for contingent-owned equipment.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/C.5/51/49 and A/51/893)

30. The CHAIRMAN drew attention to a letter from the President of the General Assembly addressed to himself (the Chairman) (A/C.5/51/49), transmitting a letter from the Secretary-General addressed to the President of the General Assembly (A/51/893) whereby the Secretary-General requested the General Assembly to confirm his understanding that the provisions of paragraph 26 of Section III.B of General Assembly resolution 51/226 were not meant to be applied retroactively.

31. Ms. PEÑA (Mexico) said that it might be wise to transmit to the President of the General Assembly and the Secretary-General a letter reaffirming the resolution as adopted.

32. Ms. RODRÍGUEZ ABASCAL (Cuba) supported the suggestion, adding that the meaning of the resolution was not open to interpretation. She failed to understand why the Secretary-General thought it necessary to ensure that the provisions of the resolution were not applied retroactively and asked whether there had been any instances in which a General Assembly resolution had been implemented retroactively.

33. Mr. MOKTEFI (Algeria) agreed, saying that the issue of retroactivity did not arise, as the resolution in question had become effective on the date of its adoption, on 3 April 1997.

34. Mr. CONNOR (Under-Secretary-General for Administration and Management) emphasized, that the Secretary-General wished to comply with the provisions seeking to put an end to the practice of "back door" recruitment and that he would be pleased to know that the tenor of the current meeting supported his interpretation of the objective of General Assembly resolution 51/226.

35. Mr. HANSON-HALL (Ghana) asked whether paragraph 27 of General Assembly resolution 51/226 also applied to Headquarters staff, or only to staff serving in the field.

36. Mr. ABELIAN (Armenia) said that it would be helpful to know on what basis 31 July 1997 had been selected as the deadline for extension of contracts expiring before that date. In the case of an individual whose contract expired in April, the Secretariat would not be able to fill the post through normal recruitment processes, which took at least six months. He wondered whether it would be possible for the Secretariat to extend the short-term contract up to the time when the Secretary-General would be able to appoint the individual concerned through normal procedures, since paragraph 26, section III.B, did not bar such action by the Secretariat.

37. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that he wished to clarify the issue of retroactivity. He had been advised by the Legal Counsel that serious legal difficulties would result from the application of paragraph 26, section III.B, to staff members who had been recruited through the only means available at the time of their recruitment since, to do so, would be to treat staff retroactively as though they had been improperly recruited when, in fact, they had been properly recruited for support-account posts. Such action would clearly violate the rights of the staff members concerned, who were entitled, under staff regulation 4.4, to be considered for United Nations posts and to compete with other external candidates. Retroactive application of legislative provisions was always viewed with great disfavour by the Administrative Tribunal; moreover, it was contrary to staff regulation 12.1, which provided that staff regulations could be supplemented or amended by the General Assembly without prejudice to the acquired rights of staff members.

38. The Secretary-General had indicated his intention to implement paragraph 26, section III.B, of the resolution prospectively to staff members who would be recruited after 3 April 1997 to serve against support-account posts or posts in the international criminal tribunals. Such action did not constitute retroactive implementation of the resolution. It would, however, have a retroactive impact on persons who had joined the Organization in previous years under the existing arrangements for support-account hiring.

39. With regard to the question raised by the representative of Ghana, the General Assembly had, indeed, intended that paragraph 27 should apply to field assignments only.

40. As to the question raised by the representative of Armenia, the deadline of 31 July had been established to give staff members already on board whose contracts were due to expire in May or June a minimum reasonable period of continuing employment. On the question of whether short-term contracts could be further extended to fill vacancies arising from their expiry, that would not be in keeping with the General Assembly's intention, which had been that the Office of Human Resources Management should endeavour to fill the posts through normal procedures.

41. Mr. STÖCKL (Germany) said that, while he understood the legal concerns expressed by the representative of the Secretariat, the Administration had an obligation to explain why the situation had not been rectified after 7 June 1996, when the General Assembly, in its resolution 50/221 B, had decided that support-account posts would be available for one year or more. During the period of 10 months between that date and 3 April 1997, proper recruitment procedures, including vacancy announcements, could have been applied. The current difficulties faced by the Administration and the Department of Peacekeeping Operations were of their own making.

42. As to the question of retroactivity, it was his understanding that as from 3 April 1997, applicants on short-term contracts would no longer have any advantages over other external candidates. The General Assembly had intended to put a stop to situations like the one described by the Assistant Secretary-General for Human Resources Management, in which over 75 per cent of a certain number of P-3 posts advertised had been awarded to those occupying the posts on short-term contracts. The Secretariat should explain to what extent the commitments made to short-term recruits affected the expectations of external candidates who saw a vacancy announcement and assumed that the recruitment process was an open one. While supporting the notion of a grace period. he believed that a date earlier than 31 July should have been selected.

43. Mr. HANSON (Canada) said that the issues raised by the Secretary-General deserved serious consideration. It could not have been the intention of the General Assembly to establish a penalty with retroactive effect. Since it was his understanding that the Office of Legal Affairs had rendered an opinion on the subject, it might be helpful if the Committee could hear what that opinion was directly from that Office.

44. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management), replying to the questions raised by the representative of Germany, said that the Department of Peacekeeping Operations and other departments were in the process of filling the support-account posts through normal procedures. Criticisms of the recruitment process had been voiced both within and outside the Organization; the process was seen as lengthy and bureaucratic. It should be kept in mind, however, that the Organization took the hiring of new staff members, who were recruited on the basis of career appointments for a period of 20 years or more, very seriously. Member States were given up to two months to find candidates for vacancies that were advertised externally. The credentials and references of such candidates must be checked carefully, both by the Office of Human Resources Management and by the departments concerned. While that process could take several months, it was time well spent. Mistakes could be costly, both in terms of the compensation that would need to be paid and of the time spent on proceedings before the Joint Appeals Board, the Administrative Tribunal, and so on. Thus, the process was lengthy, but deservedly so, in view of the need to respect job descriptions, International Civil Service Commission (ICSC) standards, and the requirements of Member States and of the Secretary-General for a level of quality that met the criteria of the Charter of the United Nations. Before the steps referred to by the representative of Germany could be implemented, his office had required a full description of the functions to be carried out, a classification of those functions in accordance with ICSC standards, the issuance of a vacancy announcement for each post and

the consideration of applications by the relevant appointment bodies. That process had not been completed by 3 April.

45. Finally, he endorsed the suggestion that the Office of Legal Affairs should convey directly to the Committee any concerns that it might have regarding the impact of the resolution on existing staff.

46. Mr. MARRERO (United States of America) proposed that the matter should be discussed in informal consultations. His delegation would need more time to examine the issue and to get guidance thereon from its authorities as well as from the United Nations Office of Legal Affairs.

47. Mr. STÖCKL (Germany) endorsed the proposal of the Canadian and United States delegations that the Legal Counsel should explain the legal implications of the relevant part of the resolution. The resolution would not be renegotiated. The resolution must be legally implemented. The legal explanation was necessary to ensure that the rights of staff were not violated and that the Secretary-General's action was legal.

48. The CHAIRMAN proposed that the Committee should adopt the following decision:

"The Fifth Committee,

"Decides to inform the Secretary-General that it has taken note of his letter addressed to the President of the General Assembly (A/51/893),

"Reiterates General Assembly resolution 51/226 of 3 April 1997,

"Requests the Secretary-General to implement the provisions of the resolution as adopted."

49. Ms. PEÑA (Mexico) said that her delegation could fully support the adoption of the draft decision as read out by the Chairman. Should there be a decision to hold informal consultations, such consultations should be on all the issues currently before the Committee, and not only on those of concern to certain countries.

50. Mr. HANSON (Canada) said that the draft decision should specify that the resolution should be implemented in accordance with the staff rules and regulations, which seemed to be the Secretary-General's main concern. While his delegation was agreeable to informal consultations, it did not believe that there was a question open before the Committee for a decision.

51. Ms. RODRÍGUEZ ABASCAL (Cuba) endorsed the statement of the representative of Germany and the Chairman's proposals. The Committee should not reopen the negotiations on General Assembly resolution 51/226. The Secretariat merely needed to implement what Member States had decided upon.

52. Mr. SULAIMAN (Syrian Arab Republic) expressed surprise that the Committee should be seeking a legal opinion after the resolution had been adopted. His delegation therefore endorsed the Chairman's proposal.

53. Mr. MADDENS (Belgium) said that his delegation was in favour of the Canadian delegation's amendment - to which should be added the words "and United Nations financial regulations" - especially if it helped to expedite the adoption of the Chairman's proposal. However, the request for more time in order to ponder the issue, should be granted.

54. Mr. SCHLESINGER (Austria), speaking as the former coordinator of informal consultations on agenda item 140, said that, at his request, a representative of the Secretariat had been present during the Committee's informal consultations to answer questions but had not been asked to comment on the outcome of the negotiations.

55. Mr. STÖCKL (Germany) supported the proposal of the representative of Belgium. The Committee should take note of the Secretary-General's letter, request him to implement the resolution as adopted in accordance with the financial rules and regulations as well as with the decisions or jurisprudence of the Administrative Tribunal.

56. Mr. MOKTEFI (Algeria) rejected the request for more time. There was only one way to interpret the resolution and his delegation would not agree to anything other than a simple statement by the Chairman reiterating the provisions of that resolution.

57. Mr. MADDENS (Belgium) said that while the implementation of the resolution should be reiterated, there was a letter from the Secretary-General to the President of the General Assembly which required an answer. The request by some delegations to be given a few hours in order to consider the proposals that would form the basis of the Committee's reply, should not be refused.

58. Mr. ABELIAN (Armenia) said that the request for time should be granted.

59. The CHAIRMAN suggested that, in order to give members of the Committee time to consult, further consideration of the issue should be postponed to the next meeting.

60. It was so decided.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/48/622, A/48/912, A/49/654, A/49/936, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009, A/50/1012, A/51/389, A/51/491, A/51/646, A/51/778, A/51/845, A/51/892; A/C.5/50/51, A/C.5/51/8, A/C.5/51/45 and A/C.5/51/48)

61. Mr. BLUKIS (Latvia), speaking on behalf of Estonia and Lithuania, endorsed the statement made at the previous meeting by the representative of the Netherlands on behalf of the European Union. Referring to paragraphs 7 and 8 of the Secretary-General's report on the Peacekeeping Reserve Fund (A/51/778), he noted that in view of the fact that the three Baltic States had not contributed any monies to the Fund, they did not claim to have a share in the Fund. Estonia, Lithuania and Latvia were requesting that they should be considered, in addition to the five Member States listed in paragraph 8 of the Secretary-General's report, as not having such a claim. They were ready to make a

proposal to the Assembly, on the appropriate occasion, on the method for determining their contribution to the Fund.

62. Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

63. Mr. Soong Chull SHIN (Republic of Korea) said that the draft decision set forth in paragraph 11 (b) of the report of the Secretary-General on the Peacekeeping Reserve Fund (A/51/778) seemed to mean that the five Member States referred to would not have a claim to a share in the Fund unless they were contributors. Paragraph 8 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/51/845), however, recommended that the General Assembly should decide that the five Member States should contribute to the Fund. It would be useful to have an indication as to whether his delegation's interpretation of paragraph 11 (b) was correct. Furthermore, paragraph (d) of General Assembly resolution 47/217 provided that the level of the Fund should be 150 million United States dollars, while paragraph (e) stated that Member States' shares of the Fund should remain fixed. Under those circumstances, if the five Member States contributed to the Fund, the level established would be exceeded. It appeared, therefore, that the five Member States in question would be unable to contribute to the Fund unless paragraphs (d) and (e) were altered accordingly. The Secretariat should clarify that issue also.

64. Mr. ZHANG Wanhai (China) said that the current system of paying death and disability compensation was discriminatory since the amounts paid ranged from more than $10,000 to over $600,000. Since the latter figure was over 60 times greater than the former, the practice that allowed such huge gaps should be stopped. He endorsed the statements made by the representatives of the United Republic of Tanzania and Colombia on behalf of the Group of 77 and China and of the Movement of Non-Aligned Countries, respectively. The system should be reformed to ensure equal treatment for all Member States, a standard compensation level should be applied to all cases, the payment of claims should be expedited and, in the interest of transparency, all Member States should be informed about how claims were handled.

65. As far as the management of assets for peacekeeping was concerned, he supported the testing of a management system in order to reduce waste. For example, more than 380 vehicles had been declared unusable and over 200 dismantled in the closing of a peacekeeping mission. The explanations that had been given were that those vehicles had been used for more than six years or that they had clocked over 100,000 miles. He wondered about the condition of those vehicles when they had first been purchased. The management of peacekeeping assets and procurement should be more closely linked and the management of the use of resources strengthened. In that connection, he wondered how resources were managed by peacekeeping missions and whether the Secretariat was taking measures to forestall further losses in future.

66. Mr. GREIVER (Uruguay) said that his delegation attached particular importance to the agenda item under consideration and fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries. Uruguay stressed the need to ensure

equal treatment for all contingents and the speedy settlement of claims for death and disability. The payment of such claims should be given a higher priority than the payment of other debts. The Committee should take a decision on that item at the current session.

67. Mr. ATIYANTO (Indonesia) said that his country attached great importance to agenda item 140 and felt that the Committee should take constructive action on the question of death and disability benefits and reform the procedures for determining reimbursement to Member States for contingent-owned equipment. Indonesia fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, concerning death and disability benefits and reaffirmed the fundamental principles for compensation for death and disability as set forth in the relevant General Assembly resolutions. Many claims submitted by Member States were still pending and should be settled as soon as possible.

68. Mr. ABDULLAH FAIZ (Malaysia) said that he fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, with regard to death and disability benefits. The discrimination in providing compensation for loss of life and injury was shameful and morally wrong and must be eliminated as soon as possible.

69. Mr. SAHA (India) said that there seemed to be a broad consensus on the question of death and disability benefits and that consideration should be given to drawing up a draft resolution at that stage.

70. Mr. BISTA (Nepal) said that his delegation supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, on the issue of death and disability compensation for contingent troop personnel serving in United Nations peacekeeping operations. Death and disability compensation should be based on the principle of equal treatment of all Member States. It was clear from the reports under consideration that the modality for administering the uniform and standardized rate of compensation was the United Nations administered self-insurance scheme. The current system of budgeting and accounting used for military observers seemed to have worked well. It could simply be extended to cover contingent troop personnel as well.

71. Mr. Sengwe (Zimbabwe) resumed the Chair.

72. Mr. ALOM (Bangladesh) said that his delegation fully supported the statements by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, on the item under consideration. Bangladesh was deeply concerned about the current procedure for providing death and disability benefits and stressed the need to eliminate the use of unfair and discriminatory criteria in that regard. His delegation was prepared to work on draft proposals for implementing a new procedure for determining reimbursement to Member States. Moreover, the non-payment of contributions to United Nations

peacekeeping operations had an adverse impact on reimbursement to troop contributors, particularly least developed countries. The reimbursement process should be streamlined.

73. Mr. WATANABE (Japan) said that his country, which was an active participant in peacekeeping operations and the second largest contributor to their financing, felt that the Committee should focus its efforts on high priority issues in that area. Japan had noted the difficulties facing some Member States with regard to the procedures to be followed and the extent of the compensation offered and would like to participate in the consultations on that question so that concrete arrangements could be agreed upon. The bookkeeping system currently used for peacekeeping operations was highly unusual and complicated. It was hoped that a comprehensive system of bookkeeping for all peacekeeping operations could be established. His delegation reiterated its position regarding the scale of assessment for peacekeeping operations and could not accept the establishment of the ceiling at the level of 25 per cent, as proposed by one delegation at a previous meeting. Japan reserved the right to submit its own scale of assessment for peacekeeping operations.

74. Mr. YUSSUF (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, reiterated the position that the peacekeeping scale of assessment was distinct from the scale of assessment for the regular budget since peacekeeping involved heavy expenditures, which required a different method of apportionment. Various General Assembly resolutions adopted by consensus had laid down important guidelines for the peacekeeping scale of assessment. It was imperative to maintain the distinction between the regular budget and the peacekeeping budget in apportioning expenditures. The financing of peacekeeping operations must reflect the special responsibilities of the permanent members of the Security Council and should take into account the differences in the capacity to pay of the developed and developing countries.

75. The current ad hoc scale of assessments for peacekeeping had stood the test of time and should be institutionalized. The establishment of objective criteria for placing countries in the four groups used could be further examined. Such criteria should take into account a country's national income as well as other considerations, including its level of development and overall socio-economic situation. Proposals for fixing a premium or surcharge to be borne by members of the Security Council were not acceptable. The special scale for peacekeeping operations should be retained according to the established principle of "collective but differentiated" responsibility. The establishment of a ceiling and a floor for the permanent members of the Security Council was totally unacceptable because it was not in keeping with the principles and guidelines set forth in the relevant General Assembly resolutions.

76. Mr. HANSON-HALL (Ghana) said that his delegation supported the statements made by the representative of the United Republic of Tanzania, on behalf of the Group of 77 and China, and the representative of Colombia, on behalf of the Movement of Non-Aligned Countries, on the item under consideration. Death and disability benefits should be provided in a uniform and adequate manner. There seemed to be broad agreement in the Committee on the need to review the current procedures for providing compensation in order to establish a system based on fairness and equity.

77. Mr. ARMITAGE (Australia) said that his delegation supported the views expressed by Canada and New Zealand on the statement made by the representative of the United States of America the previous day regarding the special scale for peacekeeping operations. Australia had repeatedly called for a comprehensive review of the peacekeeping scale and continued to challenge the assertion that the scale had stood the test of time. On previous occasions, his delegation had identified various examples that clearly demonstrated that that assertion was not true. The proposal by the United States of America on the assessment scale for peacekeeping operations called for a measure that was not comprehensive in any way and sought to arbitrarily impose a preferred position. In other words, it was a form of self-assessment, which was counter to the accepted principles of capacity to pay and disregarded the authority of the General Assembly. Australia did not believe that that proposal would advance the Committee's consideration of the issue because it failed to answer the questions as to who paid and why. His delegation's position on ceilings with regard to scales of assessment was well-known and it would continue to view the proposal by the United States in that context.

The meeting rose at 1.05 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
62nd meeting
held on
Thursday, 22 May 1997
at 3 p.m.
New York

SUMMARY RECORD OF THE 62nd MEETING

Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued)

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A/C.5/51/SR.62
17 July 1997

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/48/622, A/48/912, A/49/654, A/49/936, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009, A/50/1012, A/51/389, A/51/491, A/51/646, A/51/778, A/51/845, A/51/892, A/C.5/50/51, A/C.5/51/8, A/C.5/51/45 and A/C.5/51/48)

1. Ms. PEÑA (Mexico) said that her delegation reiterated its support for the principles laid down in General Assembly resolution 1864 (XVII) regarding the financing of peacekeeping operations, and for the way in which those principles had been applied since the adoption of General Assembly resolution 3101 (XXVIII). It believed that the special scale of assessment for peacekeeping operations should be institutionalized, and could not support the proposals put forward by the European Union and the United States of America. Her delegation had not heard any convincing arguments which would justify making changes in the scale and especially reducing the financial burden of some of the permanent members of the Security Council. It could not support any initiatives which would have the effect of transferring financial burdens from the developed to the developing countries.

2. Ms. GURAY (Turkey) said that her delegation fully supported the statements made earlier in the debate by Colombia, on behalf of the Movement of Non-Aligned Countries, Pakistan, and the United Republic of Tanzania, on behalf of the Group of 77 and China, about death and disability compensation, and agreed that the current system was discriminatory and unjust. It believed that there should be equal treatment for all Member States.

3. Mr. DOSSAL (Chief, Finance Management and Support Service, Department of Peacekeeping Operations), recalled that at the 60th meeting, the representative of the Netherlands, on behalf of the European Union, had asked whether inland transportation claims for periods for which Member States had opted for reimbursement under the old system were being processed according to the old methodology. He drew attention to paragraph 25 of document A/50/807, which stated that "under the current system, inland transportation to the point of embarkation is not normally reimbursed". Under the transitional arrangements, following the General Assembly's decision to implement the new procedures effective 1 July 1996, the Secretariat was receiving claims for reimbursement of inland transportation costs, subject to the normal verification procedures. While no claims had been processed or reimbursed since the introduction of the new system, clarification was needed about the issue of entitlement to inland transportation under the old system, in particular as to whether or not inland transportation was to be reimbursed under the old system as well as under the new system as of 1 July 1996. He requested clarification from the Committee in that regard.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/C.5/51/49 and A/51/893)

4. The CHAIRMAN recalled that the Committee had reviewed the letter dated 15 May 1997 from the Secretary-General addressed to the President of the General

Assembly (A/51/893) concerning the implementation of General Assembly resolution 51/226 on human resources management. He wished to propose the following draft decision:

"The Fifth Committee

"Requests the Chairman of the Committee to inform the President of the General Assembly that it reaffirms General Assembly resolution 51/226 of 3 April 1997 on human resources management and requests the Secretary-General to implement that resolution, as adopted."

5. He took it that the Committee wished to adopt the draft decision.

6. It was so decided.

7. Mr. MADDENS (Belgium) said that in a spirit of consensus, his delegation had agreed not to include references to the Financial Regulations and the Staff Regulations in the draft decision, because those references would only confirm what was clear, namely that the Secretary-General would apply General Assembly resolutions in strict conformity with the rules in force, and that he would go to the General Assembly if it was necessary to make adjustments to the rules. In the case of General Assembly resolution 51/226 it was his understanding that no changes to the Financial Regulations or the Staff Regulations were necessary and that the resolution would be implemented in application of those rules.

8. Ms. SHENWICK (United States of America) said that her delegation reaffirmed its understanding that the decision just adopted did not affect the implementation of General Assembly resolution 51/226 and that that resolution did not curtail the authority of the Secretary-General to enter into short-term contracts pursuant to existing financial and human resource regulations, assuming that there were management needs and that funding was available for the purpose. It was also her delegation's understanding that other paragraphs of General Assembly resolution 51/226 pertained to positions that were vacant on the effective date of the resolution, i.e. 3 April 1997.

9. Mr. SAHA (India) said that his delegation had no difficulty in agreeing that General Assembly resolution 51/226 should be implemented in its letter and spirit. However, the Secretariat must be absolutely clear about the implementation of the resolution. He requested clarification as to whether paragraph 26 of the resolution applied to support account posts. Furthermore, paragraph 26 referred to short-term appointments of one year or more, although short-term appointments normally meant appointments of staff under the 300 series of the Staff Rules, and such appointments were for up to six months. The resolution was imprecise in that respect.

10. His delegation firmly believed that the provisions of General Assembly resolution 51/226 applied only prospectively. It therefore noted with grave concern that although the Secretary-General himself had requested that the provisions of paragraph 26 of the resolution should be applied prospectively to support account posts, the Office of Human Resources Management had issued memoranda to various departments of the Secretariat indicating that the provisions of the resolution were retrospective and, more specifically, that

they placed limits on the granting of short-term appointments or fixed-term appointments for less than one year and prohibited the regularization of staff on short-term appointments. He did not understand why the concept of fixed-term appointments of less than one year had been included in the memoranda, and requested clarification from the Secretariat as to what had prompted it to use that erroneous interpretation.

11. His delegation also feared that paragraph 27, which referred to peacekeeping and other field missions, would be interpreted incorrectly. His delegation's understanding was that the paragraph referred to peacekeeping missions irrespective of duty station. He requested the Chairman to seek clarification from the Secretariat and to impress on the Secretariat the need to interpret the provisions of General Assembly resolution 51/226 in the spirit in which they had been adopted by the General Assembly.

12. Mr. MOKTEFI (Algeria) said that his delegation reaffirmed that General Assembly resolution 51/226 applied from 3 April 1997 and could not have a retroactive impact.

13. Ms. RODRÍGUEZ ABASCAL (Cuba) said that her delegation supported the Committee's decision on the understanding that the Secretariat would in no way apply General Assembly resolution 51/226 retroactively and would abide by the spirit and letter of the resolution.

14. Mr. HANSON (Canada) said that the decision just adopted was in many ways a statement of the obvious. It was understood that no part of General Assembly resolution 51/226 could be applied with retrospective impact and that the resolution must be implemented in full compliance with the Staff Rules and Regulations and other regulations, with due regard for the case law of the Administrative Tribunal.

15. Mr. STÖCKL (Germany) said that General Assembly resolutions had to be implemented in accordance with the existing law of the Organization, including the Staff Rules and Regulations and the Financial Regulations, and also with the jurisprudence of the Administrative Tribunal. The decision did not mean that the Committee took note of or supported the interpretation made by the Secretary-General in the letter to the President of the General Assembly (A/51/893).

16. Mr. YUSSUF (United Republic of Tanzania) said that his delegation had joined in the consensus on the Committee's decision on condition that General Assembly resolution 51/226 would not be applied retroactively.

17. Ms. PEÑA (Mexico), supported by Mr. MOKTEFI (Algeria), said that the Secretariat should confirm that General Assembly resolution 51/226 would be applied non-retroactively and in accordance with the letter and spirit of its provisions.

18. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) confirmed that the Secretary-General would implement General Assembly resolution 51/226 with effect from 3 April 1997, consistent with the rules and regulations relating to financial and human resources and in keeping with the jurisprudence

of the Administrative Tribunal. The Secretary-General's concern was that there would be a retroactive impact on certain staff members, particularly those hired under support account arrangements.

19. His understanding of paragraph 26 of General Assembly resolution 51/226 was that it specifically included support account posts. The Secretariat had used the definition of short-term appointments which it had used for many years in reporting to the General Assembly as meaning appointments for less than one year. That was different from the definition of short-term appointments under the 300 rules as meaning appointments for up to six months, with a possibility of extension to nine months.

20. The Secretariat had issued a memorandum on 9 May 1997 in order to make a start on the implementation of General Assembly resolution 51/226. It was concerned about the immediate impact of the resolution on staff who were not on the support account but were in established posts on a short-term basis, and the purpose of the memorandum was to prepare departments for the implications of the resolution, so that it would be possible to move quickly to free up opportunities for placement of national competitive examinees whose names were on the roster.

21. Ms. SHENWICK (United States of America) said that it was very odd that the issue of retroactivity had arisen, because there was nothing in General Assembly resolution 51/226 to indicate that the resolution was to be applied retroactively. There was no question of going back and undoing contracts drawn up or appointments made prior to 3 April 1997 that might not now be compatible with that resolution. Posts which had been vacant effective 3 April 1997, including support account posts, must be filled with candidates who met all the relevant criteria, in accordance with paragraph 26 of the resolution. There was no issue of retroactivity; the General Assembly was going to be appropriating money, not for prior periods, but for the future.

22. Ms. PEÑA (Mexico) said that her delegation had taken note of the replies provided by the Assistant Secretary-General, and was pleased to note that the provisions of resolution 51/226 would be implemented prospectively rather than retroactively. However, it was curious to know why the Assistant Secretary-General had merely said that the Secretariat would comply with existing staff rules and regulations and had not explicitly stated that the measures would be implemented in accordance with the letter and spirit of the resolution.

23. Mr. SAHA (India) said that he was pleased to hear that the resolution would not be applied retroactively. Nevertheless, the Secretariat had failed to address the main thrust of his question as to why the category of short-term appointments had been extended to take in fixed-term appointments of less than one year. If the Secretariat was experiencing difficulty in interpreting any of the provisions of resolution 51/226, it should seek guidance from the Office of Legal Affairs or ask the Fifth Committee for a fresh mandate. On no account should the Secretariat apply its own interpretation.

24. Regarding paragraph 27 of resolution 51/226, he was aware that various delegations held differing interpretations, but consensus had none the less been reached. His delegation feared that an erroneous interpretation of what was

meant by short-term and fixed-term appointments would undermine the provisions contained in that paragraph. Accordingly, the Secretariat should share its interpretation with the Fifth Committee. His delegation understood the term "peacekeeping" in the generic sense, as meaning all staff members involved in peacekeeping activities irrespective of location. The reference to "other field missions" implied all other missions, such as those in the humanitarian field. The matter had been raised repeatedly in informal consultations, where the view had been taken that rotation between Headquarters and the field would greatly benefit the Organization.

25. Mr. STÖCKL (Germany) said that the meaning of paragraph 27 was clear, namely that staff serving in peacekeeping missions and other field missions away from Headquarters would be eligible to apply for internal vacancies. The paragraph had to be read in conjunction with the other provisions of the resolution which were designed to ensure that individuals holding other types of short-term appointment did not have an undue advantage when applying for regular posts at the United Nations.

26. Ms. SHENWICK (United States of America) endorsed the interpretation put forward by the representative of Germany. Paragraph 27 had been formulated to provide a non-cash incentive to staff serving the Organization in difficult conditions away from Headquarters.

27. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that he wished to clarify that vacant support account posts would be processed in the normal way through full appointment and promotion procedures. Regarding the concern raised by the representative of Mexico, he regretted having given the impression that the Secretary-General intended to implement resolution 51/226 in anything but the spirit in which it had been elaborated. With reference to the comments made by the representative of India, he said that the Secretariat had always used the definition "short-term appointment" to mean those staff members who had been brought into the United Nations for less than 12 months and who had not been required to go through the normal recruitment process. That had also been the interpretation used by the Office of Legal Affairs in advising the Secretary-General on the wording of his recent letter to the President of the General Assembly (A/51/893). As far as paragraph 27 was concerned, he understood the paragraph to refer to "peacekeeping field missions and other field missions". Member States had wished to enable those serving the Organization in difficult field conditions to be considered for posts in New York or other duty stations after at least 12 months of good performance.

28. Mr. SAHA (India) referred the Assistant Secretary-General to staff rules 301.1 to 312.6 inclusive contained in document ST/SGB/Staff Rules/3/Rev.5 dated 1 January 1994, which governed appointments for service of a limited duration. Those rules contained a definition of short-term appointments in the 300 series for a period not exceeding six months, but no definition of short-term appointments in the 100 series. His delegation requested the Office of Legal Affairs to inform him whether that interpretation was correct.

29. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that he would prefer to consult the Office of Legal Affairs before responding to the question from the representative of India.

The meeting rose at 4.15 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
63rd meeting
held on
Friday, 23 May 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 63rd MEETING

Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued)

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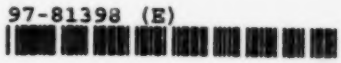

The meeting was called to order at 10.20 a.m.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/51/688 and Corr.1 and Add.1-3 and A/51/813)

1. Mr. HALBWACHS (Controller), introducing the reports of the Secretary-General on gratis personnel provided by Governments and other entities (A/51/688/Add.1-3), said that document A/51/688/Add.1 provided an explanation of administrative support costs and their legislative basis, set forth in financial regulation 7.2 and General Assembly resolution 35/217, and went on to describe the methodology and level for the application of support costs. Document A/51/688/Add.2 contained updated information on the number and nationality of gratis personnel on board as at 31 March 1997, and gave a breakdown by department/office. Document A/51/688/Add.3 provided an explanation of how the proposed guidelines would be implemented. That addendum was only preliminary, given that the General Assembly still had to take a number of decisions in that regard, following which the guidelines would again be revised.

2. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the reports of the Secretary-General (A/51/688/Add.1, Add.2 and Add.3) submitted in response to General Assembly decision 51/466 of 3 April 1997.

3. Document A/51/688/Add.1 dealt with the methodology and rate of administrative support costs mentioned in paragraphs 51 to 66 of the Secretary-General's previous report on gratis personnel (A/51/688). Paragraphs 4 to 14 presented what the Secretariat believed to be the legislative basis for the acceptance o. voluntary contributions, while paragraphs 15 to 17 described the methodology used in the application of administrative support costs charged for voluntary contributions, including gratis personnel.

4. The Advisory Committee, however, reiterated the opinion regarding the use of Type II gratis personnel it had expressed in its previous report on the matter (A/51/813), which was still under consideration by the Fifth Committee. He recalled in that connection that during the informal meetings of the Fifth Committee, he had explained at length the related recommendations of ACABQ on the question of charging support costs to Type II gratis personnel. There was no information in the present report of the Secretary-General that would change the views of the Advisory Committee on the subject.

5. The Advisory Committee reaffirmed that the use of gratis personnel, which should only occur on an exceptional and temporary basis, represented a departure from normal personnel practice, and should be limited to the two situations indicated in paragraphs 13 and 14 of its report, and subject to the provisions indicated therein. Those two situations related very specifically to cases of urgency, such as the start-up or sudden expansion of operations, and to cases requiring very specialized functions not otherwise available in the Secretariat.

6. Since those situations would imply full disclosure in the relevant budgets, as well as provision for the positions occupied by that type of personnel, the

Advisory Committee did not see the need to charge administrative support costs for Type II gratis personnel in such cases.

7. Document A/51/688/Add.2 updated the information presented by the Secretary-General in his report A/51/688 and Corr.1, including the nationality of such personnel, indicating those changes that had taken place after 31 October 1996. The Advisory Committee noted that as at 31 March 1997, the number of Type I gratis personnel had decreased from 238 to 202, and the number of Type II gratis personnel had increased from 331 to 334. The latter figure, however, did not include personnel provided by Governments to the United Nations Special Commission.

8. In document A/51/688/Add.3, the Secretary-General proposed some changes and revisions to the guidelines attached to his report A/51/688, as requested in paragraph (b) (iii) of General Assembly decision 51/466. ACABQ, however, was of the opinion that the guidelines would require further revision once the Fifth Committee had recommended to the General Assembly the appropriate policy to govern gratis personnel on the basis of the recommendations of the Advisory Committee as modified by the Fifth Committee. The Secretary-General should not have been requested to propose a revision of the guidelines before the Fifth Committee had recommended to the General Assembly a policy on the question of gratis personnel. Accordingly, the Advisory Committee recommended that a final review of the guidelines should be carried out after a decision was taken by the General Assembly on the relevant recommendations of the Fifth Committee. The Secretary-General should submit to the General Assembly through the Advisory Committee a consolidated set of revised guidelines including those contained in document A/51/688/Add.3. In the meantime, ACABQ recommended that no action should be taken by the Fifth Committee on that document.

9. Mr. SIAL (Pakistan) said that his delegation welcomed the timely submission of the reports. As the need for gratis personnel had arisen because of the financial crisis, their use should be considered as an ad hoc measure and not a permanent solution. Their continued use would only exacerbate the situation, and if Member States fulfilled their legal obligations under the Charter there would be no need for them. He found it intriguing that some Member States made voluntary contributions while failing to meet their obligations.

10. His delegation shared the concern of the Secretary-General that financial constraints made it difficult to recruit staff in a planned and orderly manner. That difficulty could be overcome only if Member States paid their assessed contributions in full and on time.

11. There was a legislative basis for the application of administrative support costs in respect of voluntary contributions, including gratis personnel. The practice should continue, pending a permanent solution. There was no need to change the Financial Regulations.

12. The guidelines for the use of gratis personnel would have to be revised following consideration by the Fifth Committee of the Advisory Committee's recommendations. A comprehensive draft resolution on the matter must be adopted at the second part of the resumed session. Lastly, he wished to know what the views of the Advisory Committee were on the Secretary-General's proposal that

the staff of the United Nations Special Commission should be excluded from the scope of the guidelines since they were governed by a special regime.

13. Mr. JONAH (Sierra Leone) said that his delegation concurred in the views and recommendations of the Advisory Committee.

14. The Committee must not overlook the larger principles involved. While he did not question the motives of those Member States providing gratis personnel, the use of Type II gratis personnel would do tremendous damage to the international civil service. Unfortunately, the failure to solve the financial crisis would make it increasingly difficult for the Organization to avoid the use of such personnel. The time had come to face up to the real situation, since the view that the major debtor would pay was over-optimistic - it was clear from events in the past few days that that simply would not happen.

15. Ms. SHENWICK (United States of America) said that her delegation supported full budgeting and disclosure for transparency purposes only and would distinguish between budgeting and assessments for that purpose. It continued to support the Secretary-General's reliance on gratis personnel to augment regular staffing requirements and provide expertise not normally available in the international civil service. The United States would support a resolution on gratis personnel which bound such staff to the staff rules and regulations and which required the Secretary-General to distinguish between gratis personnel augmenting mandated activities and those who were not, and to charge overhead fees that were technically defensible on the latter category only. Her delegation did not agree with the conclusions of the Secretary-General's report (A/51/688/Add.1) with respect to the methodology and level for the application of administrative or programme support costs.

16. In her delegation's view, the General Assembly's decision which deferred consideration of the item to the resumed session did not prevent the Secretary-General from replacing currently provided gratis personnel. The Secretary-General had the authority to continue to accept gratis personnel up to the limits established in his report or for new activities. Her Government had serious concerns over the guidelines issued in the Secretary-General's report.

17. Ms. EERIKÄINEN (Finland) asked for the statement by the Chairman of the Advisory Committee to be made available in writing.

18. Mr. DVINIANINE (Russian Federation) said that his delegation was concerned by the use of Type II gratis personnel for peacekeeping operations not only in field posts, but also at Headquarters, as well as in international tribunals, i.e. for activities which were financed through assessed contributions to the budget. The use of Type II gratis personnel, which represented a departure from normal personnel practice and the safeguards therein, should be on an exceptional and temporary basis only. The relevant resolutions of the General Assembly and the Financial Regulations must be strictly observed. In particular, under financial regulation 7.2, the acceptance of voluntary contributions must not involve additional financial liability for the Organization. Accordingly, the Secretary-General should cease using funds under the budget to meet ancillary expenses occasioned by the use of gratis personnel. His delegation would welcome specific information on the actual expenditures

involved. He agreed that the Committee must take action at the second part of the resumed session.

19. Mr. MENKVELD (Netherlands) speaking on behalf of the European Union, said that, with regard to administrative support costs, there must be a clear distinction between mandated and voluntary activities. For mandated activities no charge should be applied, and there should be no cross-subsidy between the two types of activity. There was also a need to review the methodology and level for the application of support costs in respect of voluntary activities. In particular, it was questionable whether the same charge should be applied for all kinds of voluntary contributions, and it appeared that the application of a standard 13 per cent for such disparate contributions as, say, personnel and the use of an aircraft was difficult to justify; in fact it amounted to a cross-subsidy. The methodology must be reviewed to ensure that appropriate costs only were charged.

20. The Committee would need additional information when it considered the proposed guidelines. For example, with regard to guideline 3, on functions, it would be useful to know whether the Secretariat had implemented the resolution on the support account adopted at the fiftieth session, and it must be ensured that there were budgeted posts for all loaned personnel. He trusted that the Advisory Committee's recommendations would be included in the Fifth Committee's final views on the guidelines, and was confident that the question of gratis personnel could be dealt with at the second part of the resumed session.

21. Mr. NOUR (Egypt) said that clear guidelines and rules should govern the use of gratis personnel, who should not be considered as a substitute for staff to be recruited against authorized posts for the implementation of approved activities. In the absence of any clear guidelines approved by the General Assembly for the use of such personnel, the financial rules and regulations, in particular regulation 7.2, should be applied without exception.

22. He agreed with the view expressed by the Secretary-General in paragraph 18 of his report (A/51/688/Add.1) concerning the use of gratis personnel for implementing mandated activities. It was the collective responsibility of Member States to provide the necessary resources for the implementation of mandated programmes and activities by staff recruited in accordance with the staff rules and regulations pursuant to Articles 100 and 101 of the Charter of the United Nations. The Committee was still waiting for the additional information it had requested in connection with paragraph 7 of document A/51/688/Add.1.

23. Noting that some gratis personnel mentioned in the Secretary-General's report, including half of the staff of the International Criminal Tribunal for the Former Yugoslavia, had been provided by non-governmental organizations, he wondered whether there were any precedents for the use of gratis personnel provided by non-governmental organizations to implement mandated activities at the headquarters of a United Nations body, and requested information about the non-governmental organizations that had provided such personnel. In his view, the guidelines needed to be improved in order to bring them in line with the Advisory Committee's recommendations in that regard. He hoped that the

Committee would be able to find a definitive solution to the issue during the second half of the current resumed session.

24. Mr. YAMAGIWA (Japan) said that the recent practice of accepting gratis personnel was an issue of critical importance, since it called into question the principle of Member States shouldering the financial liabilities of the Organization. In the interests of efficiency and integrity, the mandated activities of the United Nations should be carried out by staff appointed in accordance with the relevant provisions of the Charter. The fact that a significant number of non-staff members, who were not governed by the staff rules, performed core functions in the Organization was a source of great concern. He shared the Advisory Committee's view that the utilization of gratis personnel should be restricted to exceptional cases, for limited periods of time when specialized expertise not available in the Secretariat was required. The status, duties and responsibilities of such personnel should be clearly defined. He hoped that further discussions on the issue would lead to a conclusion that would enhance the sound functioning of the Organization.

25. Mr. MSELLE (Chairman, Advisory Committee on Administrative and Budgetary Questions), responding to the question asked by the representative of Pakistan, said that paragraph 3 of document A/51/688/Add.3 reflected the Secretary-General's view that the personnel of the United Nations Special Commission was governed by a special regime and would therefore not appear to be governed by whatever guidelines the General Assembly approved for gratis personnel. Members of the Advisory Committee had noted a number of contradictions, including paragraph 3, but had refrained from giving an opinion on the guidelines until it received a consolidated text containing all the guidelines prepared by the Secretariat, after the Fifth Committee had adopted a policy decision, as recommended by ACABQ in its report. He hoped that the Fifth Committee would not proceed in a piecemeal manner. A single text needed to be prepared by the Secretariat after the Fifth Committee had pronounced itself on all the related policy issues.

26. It had not been appropriate to ask the Secretariat to present revised guidelines prior to the conclusion of the Fifth Committee's discussions. Indeed, as the Secretary-General pointed out in document A/51/688/Add.3, the guidelines would be revised again after the Fifth Committee had considered them.

The meeting rose at 11.10 a.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
64th meeting
held on
Tuesday, 27 May 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 64th MEETING

Chairman: Mr. STEIN (Germany)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

(a) FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

ORGANIZATION OF WORK

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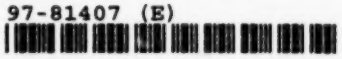
A/C.5/51/SR.64
17 July 1997

ORIGINAL: ENGLISH

97-81407 (E)



In the absence of Mr. Sengwe (Zimbabwe), Mr. Stein (Germany), Vice-Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/51/890 and A/51/906)

(a) FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

1. Mr. HALBWACHS (Controller), introducing the report of the Secretary-General on the support account for peacekeeping operations (A/51/890), said that the Secretary-General recommended that the General Assembly should confirm the new funding mechanism it had provisionally adopted in resolution 50/221 B. In addition, for the period from 1 July 1997 to 30 June 1998, the Secretary-General estimated that resource requirements should be funded from the support account in the amount of $35,129,400 net of staff assessment, compared to an approved level of $30,534,400 for the current period. The Secretary-General also proposed a staffing establishment of 364 temporary posts, an increase of 19 posts compared to the staffing level approved for the current period.

2. As noted in paragraph 28, the number of posts allocated to the Executive Office of the Secretary-General would decrease by one post at the Under-Secretary-General level and the support account-funded staffing establishment of the Department of Peacekeeping Operations would increase by 12 temporary posts. An increase of six support account-funded posts was proposed for a number of Department of Administration and Management units; an increase of two support account posts was proposed for the Office of Legal Affairs.

3. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee contained in document A/51/906, said that the Advisory Committee had reviewed the background to the Secretary-General's request for additional resources and had referred to the previous funding mechanism and the new funding mechanism which had been provisionally adopted by the General Assembly on the Advisory Committee's recommendation. The Secretary-General had proposed an amount of $35.1 million net of staff assessment, which represented an increase of $4.6 million compared with the previous support account appropriations.

4. Although the Advisory Committee appreciated that the overall level of peacekeeping activity would decline as more and more missions were liquidated, it had concluded that there were a number of shortcomings in the Secretariat's analysis of the workload of peacekeeping missions, for it had had difficulty relating the Secretary-General's proposals for net additional posts to the actual or projected workload. In previous recommendations, the Advisory Committee had requested not only that new posts should be supported, but also that existing posts should be justified in terms of the workload. As the workload statistics had not been accompanied by a proper analysis of how those statistics related to the resources that were being sought, the Advisory Committee had been unable to agree to all the new posts requested by the Secretary-General.

5. As indicated in paragraph 5 of its report, hypothetical application of the old funding mechanism would generate support account income projected at some $18.6 million, which fell far short of the $35.1 million sought by the Secretary-General. Even though the Advisory Committee had not specifically indicated that the General Assembly should reconfirm the application of the new funding mechanism, it had nevertheless made reference to its own recommendation when it agreed with the Secretary-General that the new methodology proposed by him should be the one used to determine resources for the support account.

6. Mr. MENKVELD (Netherlands), speaking on behalf of the European Union, asked the Secretariat to explain the reason for the late submission of the two reports before the Committee.

7. Mr. SIAL (Pakistan) reminded the Secretariat that the General Assembly had specifically requested that, should a document be issued late, the reasons for the delay should be given.

8. Mr. HOSANG (Director, Peacekeeping Financing Division) said that the report had been late because the Secretariat had been expecting a decision on the matter of gratis personnel, which would in turn have impacted on the funding of the support account for peacekeeping operations.

9. Mr. MENKVELD (Netherlands) said that he failed to see the connection between the support account and the matter of gratis personnel, especially in the light of paragraph 8 of General Assembly resolution 50/221 B which had requested the Secretary-General to submit a comprehensive proposal on the total requirement for human resources from all sources of funding for the backstopping of peacekeeping operations. That request had been made in May 1996, quite independently of the matter of on-loan personnel.

10. Mr. HOSANG (Director, Peacekeeping Financing Division) repled that, as indicated in the report of the Secretary-General some 140 posts were filled by gratis personnel. If a decision had been taken regarding such personnel, some of those 140 posts might have been moved to the support account or elsewhere. Such a move would undoubtedly have had an impact on the funding arrangements for the support account, which would have affected the presentation of the item to the General Assembly.

11. Mr. SIAL (Pakistan) said that the report of the Secretary-General did not conform to the request made in resolution 50/551 B. The Secretariat should indicate why a comprehensive proposal on the total requirement for human resources had not been submitted.

ORGANIZATION OF WORK

12. The CHAIRMAN said that, in view of the number of items yet to be discussed at the current session, the Committee secretariat had drawn up a revised proposed programme of work according to which non-peacekeeping issues (primarily the activities of the Office of Internal Oversight Services, procurement reform, review of external oversight mechanisms and gratis personnel) would be discussed at evening meetings, while peacekeeping issues and the two international tribunals would be discussed at morning and afternoon meetings.

13. Ms. PEÑA (Mexico) said that, since the issue of gratis personnel was related to that of peacekeeping operations, she hoped that the meetings on gratis personnel would not be held late at night.

14. She noted that, although the programme of work, as contained in document A/C.5/51/L.58/Rev.1, provided for the consideration, on 28 May, of the programme performance report for the biennium 1996-1997, which had been requested by the General Assembly in its resolutions 50/214 and 50/221, that item did not appear on the new programme being proposed for the current week. Since that report was important for the Committee's deliberations on the budget for the coming year, she asked the Secretariat to specify when it would be reviewed.

15. With respect to the assertion that the report on the support account had been postponed pending a decision on gratis personnel by the General Assembly, she said that as the report had been requested in a resolution of the General Assembly, the Secretariat had a responsibility to submit it.

16. Mr. SHENWICK (United States of America) said that she agreed with the revised proposed programme of work. The representative of Mexico had made a compelling point in stressing the Secretariat's obligation to respond when the General Assembly requested documents.

17. Mr. ARMITAGE (Australia) asked when the Committee would consider the reports on the two international tribunals, including both their financing and the relevant reports of the Office of Internal Oversight Services.

18. Mr. HANSON (Canada), speaking in his capacity as coordinator of informal consultations on the two international tribunals, said that a number of delegations had expressed concern at the fact that late issuance of the relevant documents had delayed consideration of the financing of the two international tribunals. Considering the political importance of the issues dealt with by the two tribunals, the documents on the administrative and budgetary aspects of their operation should have been issued on time.

19. Ms. RODRÍGUEZ ABASCAL (Cuba) said that she, too, was concerned about the late submission of important documents and agreed with the Mexican delegation that the Secretariat's failure to respond to Member States' requests for documents was very serious. The Secretariat should provide a satisfactory answer in that regard by the end of the week.

20. Mr. FAGUNDES DO NASCIMENTO (Brazil) said that his delegation was still waiting for the documents referred to in General Assembly resolution 51/211, which the Secretariat had promised to provide the previous week.

21. Mr. MENKVELD (Netherlands) said he agreed with the proposal to focus, in the Committee's evening meetings, on the four issues mentioned by the Chairman. He shared the views expressed by the previous speakers, especially the representatives of Australia and Canada and noted that the late issuance of reports was ironic in the light of the many efficiency projects described to the Committee by the Under-Secretary-General for Administration and Management.

22. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had not received advance copies of the Secretariat's reports on the two tribunals until 9 May 1997, and had received an additional 200 pages of documentation on 23 May. The Secretariat's reports should have been ready in February. It was frustrating for the Advisory Committee to be asked to consider such a large amount of advance documentation (which was not available in all of the official languages) in such a short time. Usually, when the Secretariat's reports were submitted late, the effect was not apparent because the Advisory Committee made extraordinary efforts to submit its reports promptly. Since the Advisory Committee and Secretariat offices such as the Programme Planning and Budget Division did their utmost to prepare reports on time, the lateness of documentation could only be traced to a shortage of resources for preparing such reports.

23. The CHAIRMAN, speaking in his capacity as a member of the Advisory Committee, said that the Chairman of the Advisory Committee had described the situation accurately.

24. Mr. SIAL (Pakistan) said that the statement that resources were insufficient was inconsistent with the Secretary-General's proposal to eliminate 1,000 posts. The late submission of documentation was inexcusable. However, he was not criticizing the Advisory Committee's work; on the contrary, he was sure that all delegations appreciated and commended its efforts.

25. Ms. SHENWICK (United States of America) said that it was imperative to ensure that the Committee had enough time for a substantive discussion of both the budget and Office of Internal Oversight Services reports on the two tribunals, especially the one for Rwanda.

26. The CHAIRMAN said that an answer concerning the performance report referred to by the representative of Mexico would be provided at the formal meeting of the Committee on 29 May 1997.

The meeting rose at 11.20 a.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
65th meeting
held on
Thursday, 29 May 1997
at 3 p.m.
New York

SUMMARY RECORD OF THE 65th MEETING

Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

OTHER MATTERS

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17 July 1997

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The meeting was called to order at 3.30 p.m.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

Support account (A/51/890 and A/51/906)

1. Mr. SIAL (Pakistan) said that the initial support account proposal was not in conformity with the provisions of General Assembly resolution 50/221 B and noted that the Advisory Committee on Administrative and Budgetary Questions, in paragraph 13 of its report (A/51/906), stated that the requirements of that resolution had not been met. He agreed with the Advisory Committee that the proposed level of all resource requirements for the backstopping of peacekeeping operations should have been justified on the basis of consistently applied criteria. Heavy reliance on voluntary contributions, which were unpredictable, could lead to serious difficulties. The Secretary-General should have submitted a full-cost budget and let the General Assembly decide which posts should continue to be financed by means other than assessed contributions.

2. His delegation would welcome additional information on the expenditures to be incurred in providing support services to gratis personnel.

3. Mr. SAHA (India) said that adequate funding must be provided for peacekeeping, which remained an important aspect of United Nations operations; the support account was crucial for that purpose. Such funding should, however, be based on a clear understanding of the needs of peacekeeping activities. There had been a substantial decline in the number of personnel deployed in peacekeeping operations and that tendency was likely to continue. At the same time, there had been a significant, yet unannounced, shift in the nature of requirements for the backstopping of peacekeeping operations. The number of completed peacekeeping missions, as a percentage of the total number of such missions, was at its highest level since 1990. Active peacekeeping was no longer the primary focus. Many recently completed missions had been among the most complex operationally, however, and resources were still needed to wind them up fully. That phenomenon had far-reaching implications.

4. It was obvious that the method of funding adopted prior to 1996 would no longer suffice. His delegation therefore supported the proposal to endorse the funding mechanism provisionally approved in paragraph 3 of General Assembly resolution 50/221 B.

5. One advantage of the old method of funding had been that it provided a yardstick for judging requests for support account posts. It was unfortunate that the Secretary-General's report gave no justification for the continuation of the 345 such posts authorized in 1996, and little justification for the 20 additional posts currently requested. At the same time, the continuity of 140 gratis personnel was taken for granted, without any assessment of whether they were in fact required. The report did not reflect a dynamic understanding of emerging trends by proposing a measure of restructuring consistent with changes in the focus of peacekeeping activities. That static approach underscored the need for a rigorous annual review, and his delegation looked

forward to any resolution that would contain appropriate language in that regard.

6. His delegation fully supported the Advisory Committee's recommendation to increase the number of posts only in the Claims Unit, reflecting the need to focus on the requirements of the termination phase of peacekeeping. Additional posts in other areas could be considered only in the context of a rigorous justification of all posts, which should be provided in the 1998 report on the support account. His delegation would therefore prefer to limit support account resources to a more realistic figure than that proposed by the Secretary-General.

7. Mr. BOND (United States of America) said that the Secretary-General's report recommended an increase in support account resources and staffing without providing sufficient justification. The proposals in the report could create the impression that jobs which were being suppressed under the regular budget might reappear in the support account. His delegation took issue with the request for a number of posts to deal with backlogs which were the result of mismanagement rather than an increased workload.

8. Many of the non-post requirements outlined in the report lacked any context that might explain the rationale for them. The Advisory Committee's report was also unsatisfactory, in that it did not review the entire scope of the support account. His delegation believed that the Advisory Committee had overstepped its authority in recommending that the Lessons Learned Unit should be abolished; that unit performed a mandated activity of the Department of Peacekeeping Operations which was crucial for promoting and maintaining efficiency in such operations.

9. It was also regrettable that the Advisory Committee had used the opportunity to discuss regular budget issues relating to its own resources. Resource requests for the regular budget were made by the Secretary-General only. Since the Advisory Committee had noted recently that the number of reports on the financing of peacekeeping operations had been substantially reduced, the support account should not have to continue to fund two posts in the Advisory Committee secretariat.

10. Mr. WATANABE (Japan) said that accountability and transparency should be maintained in respect of the support account. Although the United Nations must provide the necessary financial and human resources for the backstopping of peacekeeping operations, care should be taken to reduce its costs whenever possible.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

Report of the Secretary-General on gratis personnel provided by Governments and other entities (A/51/688 and Corr.1 and Add.1-3 and A/51/813)

11. Mr. MENKVELD (Netherlands), speaking on behalf of the European Union and the associate countries of Cyprus, Czech Republic, Hungary, Latvia, Lithuania, Romania, Slovakia and Slovenia, and supported by Mr. JAREMCZUK (Poland),

expressed appreciation for the updated information provided on the number of gratis personnel, as well as the Secretary-General's proposals aimed at facilitating consultations to establish a uniform policy and comprehensive guidelines for all types of gratis personnel. Since fairly well-established practices already existed for traditional types of gratis personnel, such as interns and technical cooperation experts, such consultations should focus on the categories of gratis personnel outlined in annex II to document A/51/688/Add.2.

12. A distinction must be made between mandated programmes and activities and supplementary activities. For supplementary activities performed by gratis personnel, conditions and procedures did exist, but the requirement that donor Governments and other entities be charged appropriate programme support costs should apply uniformly. A distinction must also be made between mandated programmes for which there were budgeted resources and staffing tables, and mandated programmes and activities for which that was not, or was not yet, the case. The Department of Peacekeeping Operations and the International Tribunals fell into the latter category. It should be a priority to have all budgets prepared on a full-cost basis, but in the meantime, programme support costs should not be charged for personnel contributed voluntarily for mandated tasks. Moreover, until mandates were implemented on the basis of full-cost budgets, it was not necessary or desirable to limit the extent to which a particular unit could be staffed by gratis personnel or to have the Advisory Committee scrutinize individual cases. The General Assembly should urge the Secretary-General to comply with the request for full-cost budgets for mandated programmes and activities without further delay.

13. The guidelines in document A/51/688/Add.3 provided a useful basis for consultations on comprehensive guidelines for the acceptance of gratis personnel to perform mandated functions. It was essential that the respective obligations of the United Nations, the donor and the individuals concerned should be clearly specified. In the case of urgent requirements for expertise not available within the Organization, or in the start-up phase of new or expanded activities, the Secretary-General should inform all Member States of the possibility of providing gratis personnel on a temporary basis. That could be done by issuing a general questionnaire and specific follow-up requests. The selection procedure should be flexible enough to allow for speedy processing.

14. The Secretary-General's proposals concerning functions were unnecessarily restrictive. With the proper arrangements in place, there was no need to prevent gratis personnel from discharging functions of a supervisory, sensitive or confidential nature.

15. It was appropriate that gratis personnel should normally have the status of "experts on mission" for the purposes of the Convention on the Privileges and Immunities of the United Nations. Length of service should depend on the needs of the Organization and on the availability of gratis personnel. In the start-up phase of new or expanded activities, length of service should normally be limited to the duration of the United Nations recruitment process. On the question of remuneration, insurance, social benefits and pensions, more information on existing arrangements was required.

16. The proposals on performance of service and applicable standards of conduct were basically acceptable. However, the Secretary-General needed to clarify what was meant by "all applicable rules" and to specify what practical measures would be put in place to ensure that obligations were fulfilled. Also, proper arrangements for premature termination of contract, dispute settlement, liability for damages and claims against the United Nations were required.

17. Programme support costs should be levied in the case of supplementary activities but not in that of mandated activities, where voluntary contributions implied a reduction in expenditure levels. A comprehensive analysis should be undertaken of the existing practice of charging a uniform 13 per cent in programme support costs on all voluntary contributions, since it was likely, for instance, that the indirect costs related to voluntary contributions of cash or supplies were lower than those related to personnel. The Secretary-General should review the various aspects of the present system and report to the General Assembly, through the Advisory Committee, on possible adjustments thereto.

18. Mr. ZHANG Wanhai (China) said that the use of Type II gratis personnel had implications for the independence of the international civil service, the personnel policies of Governments, and the management, financing and budgetary procedures of the Organization. As the Secretary-General had said, the acceptance of gratis personnel should not be considered a standard practice. Gratis personnel should be used only on a contingency or emergency basis, in accordance with decisions of the Fifth Committee. He called for the formulation of clearer and more comprehensive guidelines for the use of gratis personnel, as well as for a study of gratis personnel management and financing.

19. Mr. GJESDAL (Norway) called for more uniform and orderly arrangements for the secondment of national personnel and associated himself with the main points of the statement made by the representative of the Netherlands on behalf of the European Union. With regard to proposed guideline 8, Norway agreed with the understanding that gratis personnel should perform their functions under the authority of and in full compliance with the instructions of the Secretary-General, and not those of donor Governments. For that reason, it was unreasonable to require an agreement between the United Nations and donor Governments making those Governments responsible for the conduct and performance of their gratis personnel.

20. The CHAIRMAN said that he took it that the Committee had concluded its general discussion on the question of gratis personnel.

OTHER MATTERS

21. The CHAIRMAN read out a letter addressed to him by the Controller, concerning the report, requested by the General Assembly in paragraph 11 of Section II of its resolution 50/214, on the impact of approved savings, measures on the implementation of mandated programmes and activities. The letter noted that, in document A/C.5/50/57/Add.1, the Secretary-General had provided an exhaustive list of activities that would be affected by the required budget reductions. The relevant programme performance report, to be compiled by the Office of Internal Oversight Services, could be undertaken only after the

biennium was over. The letter further noted that the Controller had requested all programme managers to submit information to him on the impact of the approved savings measures, to supplement the information provided in the Secretary-General's report. While he could not guarantee that that information would be available before the end of the current session, it would be ready by June 1997, as requested in resolution 50/214.

22. Ms. PEÑA (Mexico), supported by Ms. RODRÍGUEZ ABASCAL (Cuba) and Mr. MOKTEFI (Algeria), said that while the Controller's letter referred to a list of activities that would be affected by savings measures, no mention was made of the analytical study of the impact of such measures on the relevant programmes and activities that had been requested in General Assembly resolution 50/214. Moreover, while the Office of Internal Oversight Services was indeed responsible for preparing the normal performance report for the biennium, the report currently requested was of a very different and more urgent nature and must be prepared by the Office of the Under-Secretary-General for Administration and Management. The urgency with which delegations viewed the request in General Assembly resolution 50/214 was reflected in the fact that the request had been reiterated in General Assembly resolution 51/221. While she regretted that so much time had passed since the original request was made, she expressed appreciation for the Secretariat's forthcoming efforts to comply with the request.

23. The CHAIRMAN announced that, since he had received a new assignment from his Government, he would be unable to complete his term as Chairman of the Committee.

24. An exchange of courtesies took place, in which Mr. AHOUNOU (Côte d'Ivoire), Mr. SIAL (Pakistan), Mr. ZBOGAR (Slovenia), Ms. SEALY MONTEITH (Jamaica) and Ms. DAES (Greece),. on behalf of the various regional groups, and Mr. STEIN (Vice-Chairman) paid tribute to the Chairman.

The meeting rose at 4.45 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
66th meeting
held on
Friday, 30 May 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 66th MEETING

Chairman: Mr. ALOM (Bangladesh)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 139: FINANCING OF THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR GENOCIDE AND OTHER SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF RWANDA AND RWANDAN CITIZENS RESPONSIBLE FOR GENOCIDE AND OTHER SUCH VIOLATIONS COMMITTED IN THE TERRITORY OF NEIGHBOURING STATES BETWEEN 1 JANUARY AND 31 DECEMBER 1994 (continued)

AGENDA ITEM 137: FINANCING OF THE INTERNATIONAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF THE FORMER YUGOSLAVIA SINCE 1991 (continued)

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

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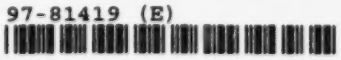

In the absence of Mr. Sengwe (Zimbabwe), Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

AGENDA ITEM 139: FINANCING OF THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR GENOCIDE AND OTHER SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF RWANDA AND RWANDAN CITIZENS RESPONSIBLE FOR GENOCIDE AND OTHER SUCH VIOLATIONS COMMITTED IN THE TERRITORY OF NEIGHBOURING STATES BETWEEN 1 JANUARY AND 31 DECEMBER 1994 (continued) (A/51/789)

1. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services), introducing the report of the Secretary-General requested in General Assembly resolution 50/213 C, said that at the time the resolution had been adopted, the Oversight Office had already received several complaints concerning deficiencies and irregularities in the Tribunal and had sent a team of auditors and investigators to Kigali and Arusha to look into the matter.

2. The situation reflected in the report described the state of affairs in October and November 1996, and noted changes which had occurred since the draft report was issued to the senior officials most directly concerned in December 1996. Since then, some of the major problems had been addressed and remedial action had already been taken in a number of key areas.

3. While the investigation had not confirmed allegations of corrupt practices such as nepotism, racism and misuse of funds by managers, it had disclosed management errors and serious shortcomings in almost all areas of the Tribunal's work. The situation in Arusha and Kigali had been troubled from the inception of the Tribunal, especially with regard to short-term funding arrangements which limited its ability to recruit staff. In addition, the decision to have separate geographic locations for the Prosecutor's Office and the other organs of the Tribunal had impeded communications between the two locations and contributed to the strained relations between the Prosecutor's Office and the Registry.

4. The team of investigators and auditors had found evidence to support the view that the administrative support functions did not operate efficiently and, in some cases, they did not operate at all. Key administrators in the Registry and the Office of the Prosecutor had not discharged their responsibilities effectively. United Nations rules and regulations for procurement, personnel and financial functions had been disregarded; the finance operation had no accounting system and could not produce allotment reports, so that neither the Registry nor United Nations Headquarters had budget expenditure information; there was no property management system; personnel in key positions lacked the required qualifications; and, in Kigali, a lack of vehicles, computers and other office equipment and supplies had prevented the staff from conducting their work properly.

5. Many of the problems could have been avoided had the Organization's rules and regulations been adhered to and had standard management practices been

followed for instructing and communicating with staff members and others about the goals and timetables of the Tribunal.

6. Much of what had been accomplished by the Registrar had been done under difficult circumstances and without backup from staff at Headquarters. Officials at Headquarters did not believe that they had any authority over or responsibility for the actions of the Tribunal administrators. While it was generally acknowledged that the financial and personnel rules and the other administrative issuances of the United Nations applied to the Tribunal, the latter had not received the proper guidance and assistance in implementing and enforcing them.

7. The Oversight Office believed that the problem stemmed from a misperception or at least and overly strict interpretation of the Security Council's request that the Tribunal should be established as an independent body. Since the Tribunal operated with authority and funding provided by the United Nations it was subject to the rules, regulations and administrative oversight of the Organization. When the Organization had assumed the responsibility of establishing the Tribunal, it had also assumed the responsibility of ensuring that it was able to operate effectively, bearing in mind the purpose of the Tribunal which was to bring to justice those individuals responsible for genocide and other systematic, widespread and flagrant violations of international humanitarian law in Rwanda.

8. In February, the Secretary-General had called a meeting of high-level Tribunal and Secretariat officials to discuss the report and formulate measures to address the problems, and operations were reported to have improved. A second team of auditors and investigators had been scheduled to go to Arusha and Kigali to check on progress before the end of June, but because the new Tribunal officials had only recently taken up their posts, the visit had been postponed until September.

9. Mr. FARID (Saudi Arabia) said that the incomplete and unreliable financial records and reports kept by the International Criminal Tribunal for Rwanda were a cause of particular concern to his delegation. The catalogue of mistakes and mismanagement outlined in paragraph 11 of the report would be unacceptable in any organization. Nevertheless, his delegation noted with satisfaction that senior officials of the Tribunal had been very receptive to suggestions and recommendations of the Oversight Office.

AGENDA ITEM 137: FINANCING OF THE INTERNATIONAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF THE FORMER YUGOSLAVIA SINCE 1991 (continued) (A/51/824)

10. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services), introducing the report of the Secretary-General contained in document A/51/824, said that whereas the investigation regarding the International Criminal Tribunal for Rwanda had been prompted by allegations of irregularities, waste and mismanagement, the review of the International Tribunal for the Former Yugoslavia, had been prompted by concerns about the steep increase in the resources requested by the Tribunal for 1997. His Office had therefore decided

to focus on the Tribunal's resource requirements with a view to identifying potential for reducing the Tribunal's resource requirements and providing that information to the Secretariat and to legislative bodies in order to facilitate their decision-making on the Tribunal's budget. It was hard to understand how the review and the provision of such information could be interpreted as exceeding his Office's mandate, as a few delegations had suggested in a previous debate.

11. Whereas in its original proposal for 1997 the Tribunal had requested approximately $69 million net to fund the activities of the Chambers, the Office of the Prosecutor and the Registry, which represented a 94 per-cent increase over the 1996 budget and included provision for an additional 197 posts, the review conducted by the Oversight Office had identified at least $6 million in savings, including 39 unnecessary and duplicated posts as well as various plans for non-essential spending such as sophisticated audio-visual equipment. The Secretary-General had concurred with the recommendations of the Oversight Office and, in fact, as could be seen from the report of the Secretary-General contained in document A/C.5/51/30/Add.1, had reduced the resources requested for the Tribunal from $69 million to just under $50 million and the number of additional posts from 197 to 50.

12. Other recommendations had not yet been specifically addressed in the Secretary-General's report. For example, the Oversight Office's review had recommended that the high level of vacancies in 1996 should be considered when forecasting the staffing needs for 1997. The review had also shown that the historical financial data kept by the Registry were sometimes an unreliable basis for forecasting. In addition, the Prosecutor's Office had been unable to provide summarized data on the work-in-progress of each investigative team. To tackle that problem, the report had recommended the establishment of benchmarks for investigations. The need for less expensive arrangements for operating and staffing the field offices, particularly the one in Sarajevo, had also been reiterated.

13. While the Oversight Office supported the work and ideals of the Tribunal and was convinced that the latter needed a considerably higher level of resources to cope with the expected caseload, it none the less saw the potential to enhance the efficient utilization of resources. The Tribunal's management had been very receptive to his Office's recommendations.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/51/897)

14. Mr. PASCHKE (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on the audit of the United Nations Postal Administration (UNPA) contained in document A/51/897, said that, since its inception in 1950, UNPA had been a major contributor of commercial revenue to the United Nations. However, in recent years, UNPA had not been meeting its financial targets of projected revenue and profits, and during the biennium 1994-1995 it had sustained a loss of $2.2 million.

15. Although its financial situation had significantly improved towards the end of 1996, the Oversight Office was still concerned about the long-term financial success of UNPA. It had therefore recommended that more economical and efficient methods should be found to carry out the mandate of UNPA; that, in order to ensure that the strategic decisions of senior management were based on accurate information, the full cost of operating UNPA should be disclosed, including the cost of services which were currently provided by the United Nations to UNPA for free; and that the internal control systems of UNPA should be strengthened.

16. UNPA management had been cooperative during the audit and had already implemented many of the detailed recommendations contained in the audit report.

17. Mr. FARID (Saudi Arabia) said that cost sharing was of central importance in considering the role and value of UNPA. Full and adequate financial disclosure was therefore imperative, particularly with regard to the question of premises. It went without saying that all internal controls must be strictly adhered to.

The meeting rose at 10.55 a.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION

Official Records

FIFTH COMMITTEE
67th meeting
held on
Monday, 2 June 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 67th MEETING

Chairman: Mr. STEIN (Germany)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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ORGANIZATION OF WORK

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In the absence of Mr. Senqwe (Zimbabwe), Mr. Stein (Germany), Vice-Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued) (A/51/890 and A/51/906 and Corr.1)

(a) FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

1. Ms. REKKERS (Netherlands), speaking on behalf of the European Union and also Bulgaria, Cyprus, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, reiterated the Union's concern at the late issuance of the report of the Secretary-General (A/51/890) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/51/906 and Corr.1). The resolution on the item should contain a specific reminder that the next annual report on the support account should be made available at the start of the Committee's May session. It was also regrettable that the report was not accompanied by the performance report, requested in paragraph 6 of General Assembly resolution 50/221 B and did not fully comply with the request contained in paragraph 8 of that resolution. The European Union would welcome an explanation of why the Secretary-General had not provided the performance report.

2. She regretted, finally, that the report did not contain the concept and cost estimate for the management of United Nations peacekeeping assets and for the maintenance of a United Nations logistics base. The separate report on asset management and the logistics base in Brindisi, which was expected to be issued shortly, should be included in the next annual support account budget proposal. In many ways, the approach to the presentation of the support account invited poor decision-making.

3. While the regular budget should cover core backstopping functions, the mechanism of the support account should enable the Organization to finance the non-core needs for backstopping of peacekeeping operations at any given moment. In that connection, the European Union wondered why the Secretary-General had not repeated the request made the previous year to transfer 26 posts from the support account to the regular budget. That omission strengthened the impression that the Secretary-General was reducing the requirements under the regular budget by increasing those under the support account; such an approach could be accepted only if the requirements for core backstopping functions were decreasing and the current report provided no justification for that conclusion.

4. The European Union concurred with the Advisory Committee's conclusion that the overall backstopping costs were higher than the Secretary-General's estimate of $50 million, which did not include all regular budget resources of the Department of Peacekeeping Operations and the non-post resource requirements for gratis personnel. If those costs were included, the estimate would total approximately $70 million. A proposal based on the principle of full-cost budgeting was therefore urgently required.

5. With regard to the staffing levels requested by the Secretary-General based on a projected increase in the volume and complexity of the work of the Department of Peacekeeping Operations and the Department of Administration and Management, the European Union believed that the anticipated workload was not fully justified and shared the Advisory Committee's view that a meaningful workload analysis was required. It also supported the Advisory Committee's comments (A/51/906, para. 12) on the implementation of the finance module of the Integrated Management Information System. The European Union's reservations were not limited to the proposed increase in posts but also called into question the maintenance of current staffing levels.

6. With regard to funding, the European Union supported a needs-driven funding mechanism; in order to be properly applied needs must be quantified in an acceptable manner. Since the Secretary-General's report had not done so the Union shared the Advisory Committee's reservations in that regard.

7. The European Union was not prepared to amend "de facto" the procedures which had been adopted the previous year with regard to the budgeting and financing mechanisms for the support account. However, since, in its regular budget procedures, the General Assembly decided on an a priori outline in non-budget years, a similar concept could be applied to the support account. The Union therefore proposed that the 1998-1999 support account level should be determined in advance. As it accepted the notion that the level of the support account should be related to the number of peacekeeping operations, and as nearly half the missions currently being serviced were in liquidation, it would seem logical to reduce the level of backstopping requirements.

8. Member States should instruct the Office of Internal Oversight Services or the Advisory Committee to carry out an in-depth analysis of the workload data of posts and functions funded through the support account in preparation for the following year's debate. Such an analysis should include a clear definition of support for planning, managing and liquidating operations as well as for the clearing of the existing backlog and should be completed in time to allow the General Assembly to take the results of the study into account.

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AGENDA ITEM 139: FINANCING OF THE INTERNATIONAL CRIMINAL TRIBUNAL FOR THE PROSECUTION OF PERSONS RESPONSIBLE FOR GENOCIDE AND OTHER SERIOUS VIOLATIONS OF INTERNATIONAL HUMANITARIAN LAW COMMITTED IN THE TERRITORY OF RWANDA AND RWANDAN CITIZENS RESPONSIBLE FOR GENOCIDE AND OTHER SUCH VIOLATIONS COMMITTED IN THE TERRITORY OF NEIGHBOURING STATES BETWEEN 1 JANUARY AND 31 DECEMBER 1994 (continued) (A/51/7/Add.5 and A/51/7/Add.8, A/51/789; A/C.5/51/29 and Corr.1 and Add.1, A/C.5/51/51)

9. Mr. HALBWACHS (Controller), introducing the report of the Secretary-General on the financing of the International Tribunal for the Former Yugoslavia (A/C.5/51/30/Add.1), said that the resources requested for the period from 1 January to 31 December 1997 amounted to $49,983,100 net, reflecting a net

increase of $14,552,500 and an additional 50 posts over the 1996 appropriation and authorized staffing level. Tables 1 to 3 contained summaries of requirements by organ, by object of expenditure and by temporary posts for 1997, respectively, while paragraphs 9 to 16 reported on recent developments and on the work of the International Tribunal.

10. The report contained several annexes which dealt with the status of voluntary contributions, the organizational charts for the various organs of the Tribunal, the table of new temporary and reclassified posts, space allocation between the Tribunal and the Organization for the Prohibition of Chemical Weapons, and the status of the implementation of the recommendations of the Advisory Committee.

11. Introducing the report of the Secretary-General on the financing of the International Criminal Tribunal for Rwanda (A/C.5/51/29/Add.1), which took into consideration the views of the Office of Internal Oversight Services, he said that the revised level of resources requested for the period from 1 January to 31 December 1997 amounted to $41,366,600 net and reflected a net increase of $4,871,900 and an additional 56 posts over the 1996 appropriation and authorized staffing level.

12. The tables contained in the report provided summaries of the Tribunal's requirements under various heads. The revised resource requirements of the Office of the Prosecutor were given in paragraph 29. Based on an estimate of up to six trials annually, it was proposed to augment the current 16 posts of the Prosecution Section with five new posts. A newly constituted Legal Advisory Group was proposed in Kigali comprising three new posts. In addition, resources in the amount of $150,000 were requested to provide for testimony by expert witnesses in the areas of forensic science and cartography and for the development of the information and records systems.

13. He drew attention to the resource requirements of the Registry for 1997, which were given in paragraph 48, and to the proposals regarding the Budget and Finance Section and the Personnel Section, which were outlined in paragraphs 54 and 55. As noted in paragraph 58, the Language and Conference Services section had been consolidated into a single support service under the Administrative Services Division of the Registry and was proposed to augment the current staffing complement by 17 new Local level interpreters in the light of the need for such interpreters to accompany the investigators on fieldwork in Kigali.

14. Given the need to strengthen the security services noted in paragraph 59, the staffing of the Security and Safety Section in Arusha would therefore consist of 42 posts, including 1 new international Security Service post, while the current total staffing of the Kigali Administrative Services Section (53 posts) would be augmented by 11 new posts in the areas of finance and security and safety.

15. Under the heading of other staff costs, resources in the amount of $2,063,000 would provide for overtime and for general temporary assistance. Resources in the amount of $800,000 were requested for travel of the Registrar and other staff of the Registry, travel of the defence counsel and the travel of witnesses for both the Prosecution and the Defence. With regard to general

operating expenses, resources in the amount of $711,300 would provide for the rental of premises and a new provision of $100,000 was requested under miscellaneous maintenance services to cover the cost of general maintenance of the facilities at Arusha and Kigali. Finally, resources in the amount of $1,770,900 were requested to provide for office furniture and equipment.

16. Despite its considerable administrative difficulties, the Tribunal had enjoyed some measure of success. To date, 11 accused were in custody and three trials were under way. A focal point had been established within the Department of Administration and Management to provide assistance from Headquarters for all Tribunal operations.

17. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the reports of the Advisory Committee (A/51/7/Add.7 and 8), said that the revised estimates for 1997 for the two Tribunals amounted to $91,349,700 to be assessed and $4,757,500 from extrabudgetary sources. A total of 825 posts had been requested under the assessed budget, representing an increase of 106 new posts. In addition, 34 posts would be funded from extrabudgetary resources. A total of 85 loaned personnel were available for various tasks.

18. The examination of the estimates by the Advisory Committee had been affected by the late submission of the reports of the Secretary-General, the absence of performance reports and the lack of a clear explanation or justification of the estimates. The Committee had requested that the format of the reports should be improved. It had examined the revised estimates in the light of the two reports submitted by the Office of Internal Oversight Services (OIOS) and had noted that, whereas the mandate from the General Assembly was identical, the OIOS reports differed in both approach and content.

19. Information on the progress on the implementation of the OIOS recommendations for the Rwanda Tribunal had been included in the report. The situation was not very clear concerning the recommendations of OIOS on the Tribunal for the former Yugoslavia. The Secretariat should have used the procedure in General Assembly resolution 48/218 B to comment on each of the recommendations in order to avoid what appeared to be a potential for contradiction and confusion regarding two sets of budgetary recommendations before the General Assembly - one set from OIOS and the other from the Secretary-General, who had not indicated how he had taken the OIOS budgetary recommendations into account.

20. The Advisory Committee had reiterated its view that, in allocating the limited resources available, priority should be given to the investigation and prosecution activities of the two Tribunals. It had noted that, for a number of reasons, the two Tribunals had not managed to spend the total amounts appropriated by the General Assembly. Under-expenditure had occurred, particularly in regard to personnel costs, because of the persistent vacancy situation. In its recommendation for new posts, the Committee had taken account of the vacancies that existed but had indicated in a number of cases that the Secretary-General could resubmit his request for additional posts in the context of the proposals for 1998.

21. The increased level of prosecution by the two Tribunals had led to a reorganization of the Office of the Prosecutor and to the setting up of a number of organizational units as indicated in the reports of the Secretary-General. The Advisory Committee wished to caution that excessive bureaucracy should be avoided. Thus the Committee had requested that the staffing and role of the External Relations Section of the Office of the Prosecutor for the Yugoslavia Tribunal and staff resources for the strategy teams should be reviewed.

22. The Advisory Committee also believed that additional space should be made available as soon as possible for the two Tribunals. It was improper to delay the prosecution of individuals held in detention simply because space was not available. However, the Committee had requested that the observations of OIOS regarding a second court room for the Yugoslavia Tribunal should be taken into account.

23. The Committee had made a number of observations regarding operational expenditure. In a number of instances, it had recommended less than requested. For example, it had not recommended acceptance of the request for $370,000 to install two satellite earth stations for the Yugoslavia Tribunal since there was no reason to dismantle existing facilities simply because they belonged to the Department of Peacekeeping Operations. Minor downward adjustments had been made to requests for items such as travel, furniture and equipment for both Tribunals.

24. The Committee welcomed the information in both reports of the Secretary-General on the implementation of the recommendations of the Advisory Committee as approved by the General Assembly. It had requested that the Rwanda Tribunal should take advantage of the experience of the Yugoslavia Tribunal in that regard.

25. The Committee had commented on the issue of the conditions of service of the Judges of the two Tribunals. It had requested that those comments should be taken into account when the Secretary-General submitted his next estimates. The question of the conditions of service of the staff was under consideration in the case of the Rwanda Tribunal, particularly in the light of the comments in the reports of OIOS. The Advisory Committee believed that it would be appropriate to request the International Civil Service Commission to review the matter.

26. The Advisory Committee recommended that, in the case of the Yugoslavia Tribunal, the revised estimates for 1997 should be set at $48,587,200 net and that, of the 50 new posts requested, a total of 24 should be approved. In that connection, the word "additional" in the fourth and sixth lines of the English version of paragraph 43 of the Committee's report should read "total". Referring to paragraph 23 of the Committee's report on the Rwanda Tribunal in respect of the recommendation not to approve general temporary assistance for security, the related reduction of $1,119,900 net had inadvertently been omitted; a corrigendum would be issued. The current revised estimate recommended by the Advisory Committee was $39,574,800 net. The gross figure would also have to be revised. Those errors were attributable to the haste with which the report had been prepared, which was itself the result of the late submission of the Secretary-General's report. Finally of the 56 new posts

requested by the Secretary-General, a total of 35 had been approved. The amount reduced was small, the reason being that each new post requested by the Secretary-General had been costed at 25 per cent of the standard annual cost.

ORGANIZATION OF WORK

27. Mr. HALBWACHS (Controller), replying to a question from Ms. SHENWICK (United States of America), said that publication of the report on the pensions of judges in the International Court of Justice was expected during the fifty-third session of the General Assembly.

28. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), replying to a question from Ms. SHENWICK (United States of America), said that as the Advisory Committee had tried to give priority to the consideration of active peacekeeping missions, the report on the United Nations Operation in Mozambique (ONUMOZ) would probably be issued in the autumn.

29. Ms. SHENWICK (United States of America) said that since the report in question was quite straightforward, she trusted that the Advisory Committee would take the matter up during the next two days.

30. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that there was a limit to what the Advisory Committee could do. If the Fifth Committee wished to take up the item without the benefit of the Advisory Committee's opinion, that was its prerogative.

31. Ms. ARCHINI (Italy) said that information contained in the forthcoming report on the financing of the United Nations logistics base in Brindisi might contribute to a fuller understanding of all the elements involved.

32. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report on the logistics base in Brindisi was indeed due to be considered by the Advisory Committee, but it had to be taken up jointly with the report on asset management, which had still not been received from the Secretariat.

33. Ms. SHENWICK (United States of America) said that her delegation failed to understand the reason for the delay in the submission of the Advisory Committee's report on the United Nations Operation in Mozambique (ONUMOZ).

34. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that he would review the matter of the ONUMOZ report before responding definitively to that question.

35. Mr. HALBWACHS (Controller), replying to a question from Ms. SHENWICK (United States of America), said that the report on the premises of the International Court of Justice would be ready in two to three weeks.

36. Ms. SHENWICK (United States of America) said that, in the light of that information, she assumed that the Secretary-General had not yet reached any final agreement with the Carnegie Foundation on the matter of the premises of

the International Court of Justice. The Secretariat should provide updated information on the status of that agreement.

37. Mr. HALBWACHS (Controller) said that the agreement referred to by the representative of the United States of America was between the Carnegie Foundation and the General Assembly, not the Secretary-General.

The meeting rose at 11.30 a.m.